



Daily Report

East Asia

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FBIS-EAS-96-028
Friday
9 February 1996

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January 1996

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FBIS-EAS-96-028

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Japan

Japan: Hashimoto Scheduled To Visit U.S. 23-25 Feb for Talks

OW0902055496 Tokyo KYODO in English
0542 GMT 9 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO — Prime Minister Ryutaro Hashimoto will visit the United States on Feb. 23-25 for talks with U.S. President Bill Clinton, government sources said Friday.

Hashimoto will meet with Clinton in Santa Monica, California, the sources said.

Chief Cabinet Secretary Seiroku Kajiyama will formally announce Hashimoto's U.S. visit at a regular press conference at 4 P.M. [0700 GMT]

Japan: Hashimoto To Promote Ties With Clinton on U.S. Visit

OW0902093696 Tokyo KYODO in English
0853 GMT 9 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO — Prime Minister Ryutaro Hashimoto will visit the United States on Feb. 23-25, primarily in order to become personally acquainted with U.S. President Bill Clinton, whom he will meet for the first time on a one-to-one basis, the top government spokesman announced Friday.

Hashimoto will leave Japan on Feb. 23 and meet Clinton in Santa Monica, California, on the evening of the same day, local time, before returning home Feb. 25, Chief Cabinet Secretary Seiroku Kajiyama told a press conference.

Japan had sought an early Hashimoto-Clinton meeting so that the two leaders could create a feeling of mutual trust, thus helping achieve a successful visit by the U.S. President to Japan on April 16-18, and contributing to the improvement of bilateral relations, Kajiyama said.

Kajiyama declined to answer whether the meeting in Santa Monica, where Clinton will visit on his west coast reelection campaign trail, will primarily be an occasion to seek progress in pending bilateral issues — reduction of U.S. bases in Okinawa and trade disputes over semiconductors, photographic film, insurance and civil aviation.

He said the fact that Hashimoto has chosen the U.S. as the first country to visit after becoming prime minister will help maintain friendly relations between the two nations, but added "it will not be an occasion to talk about specific issues."

However, the two countries hope to make progress on the issue of U.S. bases in Okinawa before Clinton visits

Japan, while the U.S. has also urged Japan to make progress in the trade disputes before then.

Resolving the Okinawa issue is important for the two governments because the bilateral security arrangements have come increasingly into question in Japan, in the wake of the rape of an Okinawa schoolgirl in September, for which three U.S. servicemen are on trial.

During the April summit, which was rescheduled after Clinton canceled his planned visit to Japan in November because of the federal budget crisis, the two leaders plan to issue a joint declaration to reaffirm the Japan-U.S. security alliance.

Japan: 'News Focus' Views 'Surprise' Hashimoto-Clinton Visit

OW0902131396 Tokyo KYODO in English
1239 GMT 9 Feb 96

["News Focus" by Mie Kawashima: "Hashimoto's U.S. Visit Plan Comes as Surprise"]

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO — The government abruptly announced Friday that Prime Minister Ryutaro Hashimoto will go to the United States Feb. 23-25 to meet U.S. President Bill Clinton and "brew personal credibility," less than two months before the U.S. leader's planned visit to Japan on April 16-18.

"It will not be an occasion to talk about specific issues," said Chief Cabinet Secretary Seiroku Kajiyama, the top government spokesman, revealing the plan at a press conference.

Japan has been seeking an early meeting of the two leaders since Hashimoto assumed the premiership Jan. 11, Kajiyama said, but the Hashimoto visit was apparently arranged on the strength of pending bilateral security and economic issues.

Hashimoto has repeatedly stated that the bilateral relationship with the U.S. is the most important international tie for Japan, calling the mutual security arrangements the "pivot" of Japan-U.S. relations.

The spokesman acknowledged that the Hashimoto visit aims to help pave the way for "success" at the April summit meeting with Clinton and to improve the bilateral relationship.

A key event of the April summit, which was rescheduled after Clinton canceled a planned visit to Japan in November because of a federal budget crisis, will be the issuance of a joint statement by Hashimoto and Clinton reaffirming the two countries' security tie-up.

Japan hopes to "take the opportunity of the (Clinton's) April visit" to arrive at solutions to the pending problems, the spokesman said, adding, "if people trust each other, they will more readily produce solutions."

The newly arranged summit will be the two leaders' first meeting since Hashimoto took the office of prime minister nearly a month ago.

The premier's planned visit to Santa Monica, California, which Clinton will visit on his West Coast reelection campaign trail, has been kept secret because it has not been clear whether their meeting would materialize, given their busy schedules, Kajiyama said.

The U.S. military presence in Japan under the bilateral security pact has been questioned by a portion of the Japanese people, following the rape of a schoolgirl in the southwesternmost Japanese prefecture of Okinawa in September, for which three U.S. servicemen are on trial.

Tokyo and Washington have formed a joint special action committee and tried to respond to Okinawa wishes to reduce U.S. bases concentrated there, but it is a difficult task for them to produce a solution that would satisfy Okinawa people.

Okinawa Prefecture has proposed to the central government a blueprint calling for the U.S. to return all of its military land and facilities in Okinawa to local authorities and landowners in 20 years.

Okinawa Gov. Masahide Ota has also requested that the planned Hashimoto-Clinton statement not mention the number of U.S. troops stationed in Japan — 47,000 — saying that stipulating the figure implies that the U.S. military presence in Okinawa will stay unchanged.

Ota has refused to sign documents needed to force some unwilling landowners to renew leases of their lands to the U.S. military.

Former Prime Minister Tomiichi Murayama brought suit against Ota in December, demanding cooperation with the forcible land deal, but part of the lease contracts will expire at the end of March, before a court decision.

U.S. Secretary of Defense William Perry told a mission of Japan's three ruling parties Wednesday that Washington will not agree to any changes in the overall structure of its troops in Japan, while making it clear the U.S. will maintain the overall strength of 47,000 troops currently stationed in Japan, according to the delegation.

Japan-U.S. relations have also been strained by U.S. requests to resolve trade disputes over semiconductors, photographic film, insurance and civil aviation before the Clinton visit.

Japan has expressed reluctance to meet the U.S. requests, with Hashimoto stressing that it is important not to "politicize" the trade row.

Washington has pressed Tokyo to implement an insurance accord, renew a semiconductor agreement, liberalize aviation rights and hold government-level negotiations on Japan's photographic film market.

Of these issues, Japan has maintained that the row over its film market between Eastman Kodak Co. and Fuji Photo Film Co. is not an issue to be discussed between the two governments. Japan is also opposed to the idea of maintaining a specific market share target by renewing the semiconductor pact.

Hashimoto will carry out the three-day weekend tour to the U.S. despite a busy schedule in the diet where he is under fire from the opposition camp over government plans to use at least 685 billion yen, and possibly more than 1 trillion yen, of taxpayers' money to liquidate seven housing loan companies that have been virtually bankrupted due to heavy bad loans to realtors.

The fact that Hashimoto has selected the U.S. as the first country to visit after his assumption of the premiership will help with good relations with Washington, Kajiyama said. The Japanese prime minister also plans to go to Bangkok on March 1-2 to attend an Asia-Europe summit meeting.

Japan: Panel Begins Debate on Security Ties With U.S.

*OW0902132296 Tokyo ASAHI SHIMBUN
in Japanese 9 Feb 96 Morning Edition p 7*

[FBIS Translated Text] In their meeting on 8 February, the chairman and the vice chairman of the Liberal Democratic Party [LDP] Research Commission on Security (chaired by Tsutomu Kawara) decided to begin shaping the commission's national security policy.

Reorganization and the reduction of U.S. military bases on Okinawa have recently become a political issue, and there has been increasing questioning of current Japan-U.S. security arrangements. In view of this, the commission aims to coordinate LDP views on the matter, based on the understanding that bilateral security arrangements are firmly maintained. In view of U.S. President Bill Clinton's coming visit, it seeks to form a coherent view by mid-March.

Its urgent task is to shape views on the following points: 1) The present role of the Japan-U.S. security arrangements; 2) bilateral cooperation in defense; and 3) the handling of the U.S. military bases issue on Okinawa. The panel will invite experts to its weekly meeting to shape its view.

Behind the move is LDP concern over the "shaking" of bilateral security arrangements because of the issues raised over the bases on Okinawa. Taking advantage of the fact a new chairman assumed office in January, the first in about four years, the commission, which handles security issues, is seeking to spotlight the Japan-U.S. axis.

Japan: Court Case on U.S. Military Land Leases Continues

OW0902061596 Tokyo KYODO in English
0516 GMT 9 Feb 96

[FBIS Transcribed Text] Naha, Japan, Feb. 9 KYODO — Japan's central government and that of Okinawa Prefecture steadfastly defended their positions Friday in their court battle over Okinawa Gov. Masahide Ota's refusal to sign documents needed to extend the forced lease of Okinawan land to the U.S. military.

In the second hearing at the Naha Branch of the Fukuoka High Court, the prefecture argued that forcing Okinawan landowners to rent their land to the U.S. military is unconstitutional, while the central government stressed that the U.S. military presence is in Japan's national interest.

The court battle began in December, when then Prime Minister Tomiichi Murayama sought a court order forcing the rebellious governor to cooperate.

Ota's refusal to sign came amid growing calls for a withdrawal of U.S. troops from the island prefecture in the wake of the rape of an Okinawan schoolgirl, for which three U.S. servicemen are on trial.

In written submissions to the court Friday, the prefecture argued that the forced use of Okinawan land for U.S. military bases aims to "expand the (military's) capability to a global level in distortion of the objectives of the U.S.-Japan Security Treaty."

The central government, however, said that the U.S. troops are "indispensable" for the nation's security and the maintenance of peace in the Far East.

It also urged the court to keep in mind Tokyo's contention that Ota's refusal "was a highly political matter that undermines the prime minister's discretion."

Noting that the bilateral security treaty obliges Japan to provide land for U.S. military bases, it said that how the treaty obligations are fulfilled "is of extremely high public interest."

The prefecture, however, claimed that the U.S. military is using Okinawa as its major area of deployment in Japan to bolster its economic interests in the region, rather than because of security considerations.

"Despite the end of the Cold War, the United States is using Okinawa as a base for (military) offensives in line with its global strategy to be prepared for military action in regions where it has economic interests," the prefecture's written statement said.

It accused the central government of bowing to U.S. military needs to compensate for bilateral friction in the economic sphere and it asked Tokyo to understand that the stationing of the troops has disadvantages for the communities concerned.

While the central government argued it has the right to sign the forced leases on behalf of Ota, the prefecture insisted that only the governor can sign the documents, since the procedure aims to protect the interests of local landowners.

Antimilitary Okinawan landowners, who were banned by the court from testifying in the first hearing on behalf of the prefecture, followed Friday's proceedings from the visitors' benches.

The prefecture has demanded that Ota and some 20 other witnesses be allowed to testify in the trial.

Ota, who was not scheduled to appear in court Friday, told reporters that Okinawa does not demand the dissolution of the security alliance with the U.S., but "an equal sharing of the burden" of the U.S. military presence by all prefectures in Japan.

"This is not a personal action by the governor. It is a simple demand by local residents, whose daily lives and property are jeopardized (by the U.S. military presence)," Ota said.

About two-thirds of the 47,000 troops stationed in Japan are based in Okinawa, Japan's southernmost prefecture. Although Okinawa accounts for only 0.6 percent of Japan's overall territory, it has 75 percent of the land occupied by U.S. military facilities in Japan.

Japan: Okinawa Assembly Group Returns From U.S. Visit

OW0802125996 Naha OKINAWA TIMES in Japanese
8 Feb 96 Morning Edition p 1

[FBIS Translated Text] On 7 February, a prefectural assembly delegation (headed by Speaker Kakazu Chiken) returned from the United States after completing their mission to appeal to the U.S. Government to provide solutions to Okinawa's base-related problems. Concerning the results of their visit, Kakazu said at Naha Airport: "I had the impression that the Japanese and U.S. policy of maintaining the bilateral security system made it difficult to solve Okinawa's base issue. However, we successfully drew U.S. attention to Okinawan problems

by informing the U.S. Government of the recent rape case and complaints by Okinawan residents." He indicated that the prefectural assembly would continue to make active efforts to settle U.S. military base-related problems.

The delegation, which was comprised of 14 nonpartisan assembly members, left Naha for the United States on 29 January. While in Washington, they met with U.S. State and Defense Department officials and Congress members. In Hawaii, they conferred with the commander-in-chief of the Pacific Area Forces. At each meeting, the delegation members called for the reduction of U.S. military bases in Okinawa and the revision of the Status of Forces Agreement. In response, a House subcommittee on Asia-Pacific region affairs expressed its hope to hold a public hearing on Okinawan issues. The prefectural assembly plans to positively respond to this offer.

Tokyo To Seek WTO Ruling on U.S. Copyrights Issue

*OW0902043296 Tokyo KYODO in English
0417 GMT 9 Feb 96*

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO — Japan, denying U.S. allegations of copyrights violations over music recordings, will seek a ruling on the issue by the World Trade Organization (WTO), officials of the Cultural Affairs Agency said Friday.

"No violation of the agreement has been committed (by Japan)," said the officials, referring to an agreement for the protection of intellectual property rights reached in the Uruguay Round of international trade talks which closed at the end of 1993.

The discrepancy in the interpretation of the agreement is apparently responsible for the U.S. argument, the officials said.

Washington will file a petition with the WTO, alleging that Japan has violated the agreement providing for the protection of music recordings, U.S. sources said.

The Japanese officials said the United States argues that the existing Japanese copyrights law allows the copying of compact discs and music software introduced before the law was enacted in 1971 while the Uruguay Round agreement covers copyrights for music records produced after 1946.

The officials said Japan revised and enacted the law in 1971 in consultation with the World Intellectual Property Organization.

They added, however, that Japan may be forced to revise the law if the U.S. argument is accepted by the WTO.

Officials at the Ministry of International Trade and Industry said Japan will deal with the matter in accordance with international rules.

Tokyo Considers Revising Copyright Law 'To Avoid Isolation'

*OW0902103396 Tokyo KYODO in English
0929 GMT 9 Feb 96*

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO — Japan is considering revising its copyright protection law to conform to international standards, government officials said Friday.

The officials, however, denied U.S. allegations that the existing law in Japan violates an agreement reached in the Uruguay Round of world trade negotiations, concluded at the end of 1993.

Washington was prepared to file a petition with the World Trade Organization, alleging that Japan has violated the agreement on providing protection for music recordings, U.S. sources said.

The Japanese official said the discrepancy in the interpretation of the Uruguay Round accord is responsible for the U.S. argument.

Washington contends that the Uruguay Round agreement, which took effect Jan. 1 this year, covers copyrights for music recordings produced after 1946, while the existing Japanese law violates the accord since it covers recordings produced from 1971.

The Japanese officials said Tokyo's position disputing the U.S. argument will remain unchanged, but nonetheless, Tokyo will revise its law to avoid isolation in the world community.

Japan and Italy are the only two industrialized nations that do not recognize the validity of copyrights for a 50-year period, they said.

The officials said the European Union has shown signs of siding with the United States on the issue.

They said it is wise for Japan to eliminate the source of friction before it develops into a dispute similar to the one between Washington and Beijing over the protection of intellectual property rights.

Japan: WTO Petition Said Part of U.S. 'Double-Barreled Strategy'

*OW0902110196 Tokyo KYODO in English
1013 GMT 9 Feb 96*

[FBIS Transcribed Text] Geneva, Feb. 9 KYODO — The United States on Friday filed dispute settlement proceedings at the World Trade Organization (WTO)

against Japan over protection of music recordings, trade sources said.

Under an agreement which led to the establishment of the WTO in January 1995, the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Treaty came into effect Jan. 1, 1996, obliging countries to protect sound recordings and other copyrights and patents.

The United States and Japan have been at odds over interpretation of the treaty in relation to the time frame for protecting sound recordings.

Washington has insisted that TRIPS mandates protection for 50 years retroactively on all sound recordings with copyright terms not expired in the country of origin. The current U.S. copyright term is 50 years.

But Tokyo has maintained that the treaty allows member nations to extend the 50-year retroactive protection at their own discretion. The current Japanese law applies the 50-year protection only to those sound recordings copyrighted in and after 1971.

With the WTO dispute settlement proceedings, the U.S. will initially pursue bilateral negotiations under multilateral conciliation to seek an early resolution, and will later request the WTO to set up a panel to judge whether or not Japan is violating the treaty.

The U.S. actions come in a double-barreled strategy of possible unilateral sanctions against Japan under its own trade law.

In Tokyo, the Foreign Ministry later said that Japan agreed to accept the U.S. request for negotiations under the auspices of the WTO, which replaced the General Agreement on Tariffs and Trade on Jan. 1, 1995.

Japan intends to assert its position in accordance with the dispute settlement mechanism at the new global trade authority, the ministry said.

Japan: Conflict With U.S. Navy Over Use of Dock Viewed

*OW0802142296 Tokyo ASAHI SHIMBUN
in Japanese 4 Feb 96 Morning Edition p 3*

["Jiji-kokkoku" column article by Takashi Horiuchi of ASAHI SHIMBUN Sasebo office: "SSK Opposes Use of Dock By U.S. Forces"]

[FBIS Translated Text] Sasebo Heavy Industries Company (SSK; its head office in Tokyo), which owns a shipyard in Sasebo city in Nagasaki Prefecture, is at loggerheads with the U.S. Navy in Japan over U.S. plans to use the ship-repair dock for six months from the end of September. The dock is very profitable for SSK. The U.S. forces in Japan [USFJ] is granted, under a "clause

on return and use of facilities" in the Japan-U.S. Status of Forces Agreement, the use of the dock. If the USFJ were to use the dock for up to six months, it has been predicted that SSK would suffer losses of up to 36 billion yen. Recently, two minesweepers were deployed to Sasebo Naval Base, which will become the vessels' first home port in Japan. Fearing Sasebo's role as a "military base" might increase, SSK labor and management have jointly promoted a campaign against the U.S. plan to use the dock. The U.S. Navy will make known its final decision on whether or not to go ahead on 7 February.

At a base issues study meeting sponsored by the SSK labor union on 18 January, SSK President Ryutaro Hasegawa, 86, said to about 350 labor union members: "This is Japan. I will prevent the USFJ from using the third dock even if it causes bloodshed." The third dock, which has a capacity of 400,000 tons, is the largest of the four repair docks SSK owns. It earns more than 70 percent of the profits SSK makes from repairing. At the end of last year it was reported that "the U.S. Navy plans to use the third dock to repair the Belleau Wood, an amphibious assault ship (with a displacement of 39,967 tons)." U.S. forces took over the third dock from the former Japanese Navy after the war. In 1968, the dock was sold to SSK under an agreement on the return of the facilities that was reached among the government, the USFJ, and SSK. The agreement stipulates that "the USFJ can use the dock free if it gives at least seven days notice." In the past, the USFJ has used the dock twice, for 10 and 6 days respectively.

The U.S. occupancy of the dock for as long as six months will deal a heavy blow to the SSK. The company estimates the loss arising from an expected decrease in the number of orders for ship repairs and the suspension of work on painting new ships during that period will be about 16 billion yen. It also expects additional losses of more than 20 billion yen because SSK customers are expected to delay placing orders for several years, in effect saying: "We cannot give orders to a company whose dock might be used by the USFJ at any time."

The loss will be too heavy a burden for SSK, which earned 57 billion yen during FY94.

President Hasegawa recently urged Sasebo Naval Base Commander Champagne [name as transliterated] to cancel the plan. He called on the U.S. Navy not to open a tender for repair of the Belleau Wood but to entrust SSK with the entire repair work. He also demanded the dock be used for a shorter period.

At the end of last year, SSK asked the government to revise the accord that allows the USFJ to use the third dock if it gives "seven-days notice." It demanded that use of the dock by the USFJ be limited to "emergency

cases." In mid-January, Sasebo Mayor Akira Mitsutake, who had been asked by Hasegawa to help his company, urged the Defense Facilities Administration Agency to confirm the reported USFJ plan to use the dock. He said: "If the SSK, a key industry in the city, is thrown into a difficult situation, I will naturally ask the USFJ to reconsider the plan." However, the agency reportedly told the mayor: "We have not been informed of any such plan."

Behind Hasegawa's strong opposition to the USFJ plan lies his concern that "this may be laying the groundwork for making Sasebo a base for repairing military vessels." His company, which has already suffered recently from the strong yen and lower ship prices, will be hard hit if the third dock is continually used by the USFJ.

Explaining the reason for repairing the Belleau Wood at Sasebo, the vessel's home port, the U.S. Navy said: "The crew can spend time with their families during that period." However, military expert Tetsuo Maeda said: "It is customary for a vessel to receive regular repairs at the shipyard where it was built. There is a reason why the Belleau Wood cannot leave Sasebo."

He noted: "By deploying the Belleau Wood in Sasebo, the USFJ is announcing its military presence to the DPRK (North Korea). They think that if the vessel leaves the port, it will send the DPRK the wrong signal that 'the USFJ has abandoned its resolve to take action in the case of an emergency on the Korean peninsula.'"

In an emergency, a beachmaster unit at Sasebo Base transports the U.S. Marine Corps stationed on Okinawa to the scene of a battle. On 1 February, two minesweepers were assigned to the unit for a mission to remove mines to secure a sea route for amphibious vessels. As these minesweepers are permanently stationed at the base, the crew and their families will move to Sasebo.

In 1992, the U.S. Navy announced its "From the Sea" strategy, which gives priority to the swift transport of troops to the center of conflict in a large-scale sea battle. Landing squadrons, which transport troops to the front line, form the core of the plan. Recently, the quality of Sasebo Naval Base, which plays a part in the From the Sea strategy, has been greatly enhanced.

At Sasebo port the USFJ has repeatedly conducted test runs of five landing craft air-cushioned vehicles (LCAC) deployed in Sasebo Base. It also plans to lay an underground power cable to transmit 66,000 volts of electricity to Akasaki wharf in the base to supply electricity to nuclear-powered submarines when they call at the port.

Military expert Maeda pointed out: "As long as the situation on the Korean peninsula and in Taiwan continues

to be fluid, Sasebo Naval Base, which is the nearest to these regions, will be maintained or strengthened. Even if the U.S. Marine Corps withdraws from Okinawa, the USFJ will keep vessels at Sasebo to maintain its strength."

Japan: Dock Firm Welcomes U.S. Navy's Ship Repair Order

OW0902131196 Tokyo YOMIURI SHIMBUN
in Japanese 8 Feb 96 Evening Edition p 1

[FBIS Translated Text] The U.S. Navy is seeking a reconciliation with Sasebo Heavy Industries Co. Ltd. (SSK) by making the company "the contractor for planned repair work," SSK President Ryutaro Hasegawa said on 8 February. SSK has been at loggerheads with the U.S. Navy over its plans to use SSK's No.3 dock (in Sasebo, Nagasaki Prefecture) for six months from September for repair work on its amphibious assault ship "Belleau Wood." At a news conference at SSK's Tokyo head office on the morning of 8 February, President Hasegawa valued the U.S. offer highly, saying: "SSK will not have to suffer a forecast 9 billion yen loss for allowing free use by U.S. Forces if SSK is assigned as contractor for the repair work. The consideration by U.S. Forces has provided a foundation for favorable relations."

At the news conference, President Hasegawa also expressed his intention to shelve, in effect, a demand for a revision of SSK's agreement with the Japanese Government and U.S. Forces on the preferential right of U.S. forces to use the SSK dock because "it is difficult to change an existing agreement."

Following the U.S. offer, SSK will take charge of the repair work as the main contractor, and is allowed to assign subcontractors for some special operations.

Sasebo No. 3 Dock has the largest capacity (400,000 tons) among the SSK docks, and the company uses No. 3 as its main dock. When the government sold the dock to SSK in 1968, SSK concluded an agreement with the government and U.S. Forces. Under this, U.S. forces have a preferential right to use the dock free if they give at least seven days notice.

Japan: DPRK Delegate Says Food Aid 'Smaller Than Had Been Expected'

OW0802141596 Tokyo KYODO in English
1337 GMT 8 Feb 96

[FBIS Transcribed Text] Niigata, Japan, Feb. 8 KYODO — A North Korean delegate to an economic meeting in the city of Niigata, northern Japan, said Thursday [8 February] food assistance to his country should not be dealt with from a political perspective.

North Korea's food shortage has become somewhat serious since the start of this year, and food assistance from international organizations is smaller than had been expected, said Kim Ung-nyol, leader of a private North Korean organization that is developing a special economic zone along the nation's border with Russia.

Kim was meeting with reporters.

Japan: DPRK Military Said Opposes Food Aid

OW0902033296 Tokyo KYODO in English
0312 GMT 9 Feb 96

[FBIS Transcribed Text] New York, Feb. 8 KYODO — North Korea's envoy to the United Nations confirmed Thursday [8 February] that Pyongyang will not ask for further humanitarian assistance to alleviate a food shortage because of strong opposition from the country's military.

The military leadership is accusing donor countries, especially South Korea and Japan, of exploiting the issue to gain political leverage with Pyongyang. UN Ambassador Pak Kil-yon told KYODO news in an interview by telephone.

"Japan and South Korea are trying desperately to block the humanitarian assistance," Pak said, alluding to reluctance on the part of Tokyo and Seoul to provide further emergency aid unless Pyongyang shows some readiness to renew inter-Korean dialogue.

Seoul has also cited concerns that aid might be diverted to the North's 1.1 million military personnel.

Washington, in contrast, said earlier this week it would donate another 2 million dollars through the World Food Program (WFP).

The North Korean military leadership was against requesting foreign assistance from the very beginning since it "does not want to believe that there would be any assistance from outside when the flood begins," Pak said.

"In view of their past experiences, there were attempts from hostile countries and forces to destroy our political system."

Pak said the military now is "nervous" since it believes its "assessment of the situation last year was correct."

Noting that military leaders "are well informed of the military actions on the part of South Korea, Japan and the U.S." and "know better than me," Pak indirectly revealed that the military's view has prevailed in North Korean decision-making.

But he denied there was a "dispute" between the military and the North Korean Foreign Ministry over the aid

issue. "But what I can say is our military is highly vigilant," he added.

While noting that humanitarian assistance, including the fresh pledge from the United States, is "very welcome and appreciated," Pak said Pyongyang will not hope for, nor speak of nor ask for, further aid unless interference from what it perceives as "hostile elements" stops.

UN Officials in Geneva said Thursday that North Korea has told representatives from the WFP and the International Federation of Red Cross Societies in Pyongyang that the world body need no longer ask countries to send aid to overcome the effects of last year's devastating flooding.

A senior Pyongyang official cited the extremely poor reaction to the world body's first request for assistance for North Korea, and said a second request would not be required, the officials said.

But Pak would not confirm whether disappointment over the international community's meager reaction to the request was behind the decision, although he reiterated that the assistance pledged so far is "too small" to make up for the flood damage.

Tokyo Lodges Protest Against ROK Over Territory

OW0902022096 Tokyo KYODO in English
0203 GMT 9 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO — Japan has lodged a protest against South Korea over territorial sovereignty of Takeshima Islands in the Sea of Japan. Foreign Minister Yukihiko Ikeda said Friday.

Ikeda told a regular news conference that Tokyo made the protest Thursday night, following the revelation that Seoul has started work to improve a wharf on Takeshima, known in South Korea as Tokto.

"We urged them to stop the work because (the islands) are historically and in view of the international law, an integral part of Japan," he said, adding that the move "infringes upon the sovereignty over our territory and cannot be neglected."

The row over the small, uninhabited islands has been reignited recently amid Japan's readiness to apply a 200-nautical mile exclusive economic zone through the ratification of the UN Convention on the Law of the Sea.

Taku Yamasaki, top policy-maker of the ruling coalition partner Liberal Democratic Party, said he will "criticize" the construction work on Takeshima when he and other ruling coalition lawmakers meet with South Korean President Kim Yong-sam and Foreign Minister Kong No-myong on Monday.

Yamasaki said the coalition delegation will also inform the South Korean side of Tokyo's plans to set a 200-mile zone on the basis of the U.N. treaty.

Tokyo Warns Against 'Illegal Occupation' of Islets by ROK

*OW0902095696 Tokyo KYODO in English
0924 GMT 9 Feb 96*

[FBIS Transcribed Text] Seoul, Feb. 9 KYODO — South Korea on Friday rejected a Japanese claim that Tokto Islets in the Sea of Japan, known as Takeshima in Japanese, are an integral part of Japan, saying it would take a resolute stance over the matter.

A Foreign Ministry spokesman said in a statement, "South Korea is consistent in maintaining its position that Japan's claim is unacceptable because the islands are an integral part of South Korea's territory historically and in terms of international law."

The statement was in response to the reported remarks by Japanese Foreign Minister Yukihiko Ikeda that South Korea's plan to build a breakwater off the islets infringes upon Japan's territorial sovereignty and cannot be overlooked.

Japan officially protested Friday against South Korea's plan to build marine facilities, saying the small, uninhabited islands are an integral part of Japan's territory. The row over the islands has been reignited because of Japan's preparations to adopt a 200-nautical mile exclusive economic zone through ratification of the UN Convention on the Law of the Sea.

On Thursday, a South Korean Foreign Ministry spokesman said construction of port facilities by South Korea on the group of islands is "proper" and within South Korea's "jurisdiction."

The disputed islets, which have an area of 200 square meters, lie about 700 kilometers west-northwest of Tokyo and about 450 km east of Seoul in the sea of Japan. They are surrounded by rich fishing grounds.

The spokesman said that under international law, the disputed islands are part of South Korea's territory and that the construction work is to enable the safe supply of goods to the islands.

He added that the country's claim to the islands can be justified historically.

Later in the day, Ryozi Kato, head of the Foreign Ministry's Asian Affairs Bureau, summoned Kim Yong Kyu, minister of the South Korean embassy in Tokyo, to lodge a renewed protest about Seoul's construction work on Takeshima.

In their meeting, the two men claimed their countries' respective territorial rights over the islands, a ministry official told reporters.

Kato told Kim that Japan cannot allow South Korea to continue its illegal occupation of the islands and carry out the work without Japan's approval.

He also sought an immediate halt to the construction work and withdrawal of all South Korean personnel on the island after scrapping of Seoul's existing facilities there, the official said.

Kim promised to relay Tokyo's requests to Seoul.

Tokyo Establishes Formal Ties With Bosnia-Herzegovina

*OW0902120596 Tokyo KYODO in English
1002 GMT 9 Feb 96*

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO — Japan formally established diplomatic relations with Bosnia-Herzegovina on Friday, following its recognition of the former Yugoslav Republic earlier this month, the Foreign Ministry said.

Officials of the two countries exchanged notes on the opening of their diplomatic channels in Vienna the same day, the ministry said.

Japan recognized Bosnia-Herzegovina on Jan. 23. The establishment of ties Friday set the stage for Japan's full-scale economic assistance to the war-ravaged Balkan country.

Bosnia-Herzegovina declared independence from Yugoslavia in October 1991.

Japan: Soskovets Calls Moscow, Tokyo 'Strategic Partners'

*OW0902035296 Tokyo KYODO in English
0002 GMT 9 Feb 96*

[FBIS Transcribed Text] Moscow, Feb. 8 KYODO — First Deputy Prime Minister Oleg Soskovets said Thursday [8 February] that despite some outstanding problems between Japan and Russia, the two countries are "strategic partners."

It is the first time a prominent Russian government figure has used the term in describing Russo-Japanese relations.

Soskovets made the comment during a meeting with Japanese Ambassador to Russia Koji Watanabe.

He told Watanabe that despite a territorial dispute between the two nations over a group of four Russian-held islands to the northeast of Japan's northernmost

main island of Hokkaido, Russia is keen to developing its economic links with Japan, the envoy said.

Seskovets noted that in 1995, the value of trade between the two countries amounted to some 6 billion dollars, 27 percent more than the previous year.

He also said a plan for the promotion of Russo-Japanese trade shown to him when he visited Japan in November 1994 by then International Trade and Industry Minister Ryutaro Hashimoto, who is now prime minister, has considerable significance for bilateral cooperation.

Japan: PRC Expected To Authorize Toyota Joint Venture

OW0902012196 Tokyo YOMIURI SHIMBUN
in Japanese 8 Feb 96 Morning Edition p 6

[FBIS Translated Text] Toyota Motor Corporation's joint venture project of producing engines with Tianjin Automotive Industry Corporation [TAIC] of China (in Tianjin City) is expected to be authorized by the Chinese Government as early as March. This was revealed by a concerned source on 7 February. Toyota plans to produce 1,300 cc engines for small cars such as "Charade" which is being produced by TAIC. Toyota President Hiroshi Okuda is now coordinating a schedule to visit China in March to obtain authorization from the Chinese Government. Toyota's ultimate objective is to obtain authorization for producing "Corona-class" passenger cars in China. If the joint engine production project materializes, it will be a major step toward Toyota's ultimate goal.

Prior to Okuda's visit to China, Chinese Deputy Prime Minister Li Lanqing in charge of the automotive industry is expected to visit Japan in late February to meet with Toyota executives. In parallel with the engine joint venture, Toyota has been promoting a joint venture project for automobile parts with a TAIC-affiliated corporation, aiming at producing passenger cars in China in the future. During the forthcoming meeting with Li Lanqing, Toyota executives are expected not only to demonstrate their attitude of cooperation with China but also to discuss the joint engine and parts projects.

Japan: Economic Planning Agency Declares Economic 'Recovery'

OW0902025896 Tokyo KYODO in English
0016 GMT 9 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO — Japan has pulled out of an economic slump that began in May 1991, the government declared Friday, saying, "the economy is beginning to show moves of recovery again, albeit moderately."

In its carefully worded economic report for February, the Economic Planning Agency (EPA) used the word "recovery" for the first time in half a year after it removed the word in September's report to reflect negative effects from the yen's rapid appreciation against the dollar from last March.

The agency had made positive changes to its economic assessment step by step in the December and January reports. In December, it eliminated the phrase "weak note" used in the previous three months while in January it moved closer to deleting the word "standstill," which it began using last July.

The government once announced economic recovery, in September 1994, under the current phase of recession. But the declaration was later dropped. The economy then got worse due to the yen's renewed rise in March 1995.

In the February report, submitted by EPA Director General Shusei Tanaka to a meeting of economic ministers Friday morning, the agency said, "in addition to bright moves in corporate capital spending and housing construction, the downturn in exports is coming to an end."

"On the back of these moves, industrial production is slowly increasing," the report said.

The agency remains cautious about too much optimism, however, citing concerns of a severe employment situation.

"The economy is just returning to the very initial stage of moderate recovery," an agency official told reporters, "and we have to note sluggish private consumption as the growth of wages has slowed down, especially in smaller businesses."

The official noted the need to monitor carefully whether the employment situation will recover enough to improve wage conditions and then boost individual spending.

In the February report, the agency slightly set back its judgment for personal consumption, describing the recovery trend as "extremely quite moderate," the official said.

It said in the January report that private consumption is on a recovery trend on a broad front.

Nationwide household spending in real terms decreased 2.4 percent in November from a year earlier, after posting a 1.7 percent yearly fall in October.

Sales at major retailers in December saw bigger yearly decreases, remaining in a weak tone, the official noted.

The growth of cash salary per employee inched up 0.3 percent in December from year-earlier levels, following yearly rises of 0.9 percent in November and 1.4 percent in October.

The agency described housing construction as "continuing recovery moves," changing from "showing signs of recovery" in the January report.

For industrial production, the economic planning agency said output and shipments have been gradually increasing lately.

In the previous month's report, it said industrial production and shipments showed improvement.

The official said industrial production is getting better as it increased for the third straight month in December and would do so for the fifth month in a row if the forecast of growth for January and February comes true.

It would be the longest upward trend in the nation's output, following the seven-month series of increases from February through August in 1990, he added.

The official took an increase in inventories in December as a positive factor, saying it was a result of the growth in shipments.

On exports, there is a sign of their downturns coming to an end, the report said, changing the wording from the January report, which said exports are still on a downward path.

In order to strengthen the momentum of the economic recovery and to secure its sustainability for a longer-term stable growth, the government should continue to take appropriate measures to expand domestic demand, dispose of bad loans and encourage effective land use, while keeping easy credit stance.

The report also called on the government to continue promoting structural reforms such as deregulation.

Japan: MITI Reacts to Report on Economic Recovery

*OW0902043796 Tokyo KYODO in English
0236 GMT 9 Feb 96*

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO — International Trade and Industry Minister Shumpei Tsukahara on Friday welcomed the government's fresh economic assessment which says the economy is showing signs of resuming its recovery, albeit moderately.

"I am glad that the economy is picking up again...After floundering for the past year or two," Tsukahara said at a news conference.

The Economic Planning Agency released a carefully worded monthly economic report for February in which

it used the term "recovery" for the first time since deleting it in September due to negative impacts of the yen's steep rally.

But Tsukahara noted that small businesses are slow in turning around and employment conditions still remain sluggish. "I would like to keep up the recovery by implementing a series of economic policies on end," he said.

Tsukahara noted that among small businesses, manufacturers are seeing things slightly turning for the better, while retailers are still undergoing tough times.

Meanwhile, Tsukahara said he hopes to attend the Feb. 15-16 preparatory session for March's East Asia-Europe summit, although he has to weigh progress in budget deliberations.

The summit, scheduled to take place in Bangkok on March 1-2, will be the first meeting of heads of state or government from the 15 European Union member states and 10 Asian countries. The event is primarily aimed at boosting trade and investment ties between the two regions.

The 10 Asian states are Japan, China, South Korea and the seven members of the Association of Southeast Asian Nations which groups Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

"I want to attend the preparatory session partly because it is expected to cover an array of issues," Tsukahara said. But it will not be known until the very end whether he can participate in the event, he added.

Tokyo Decides on Headquarters for 'Jusen' Disposal

*OW0902053996 Tokyo KYODO in English
0347 GMT 9 Feb 96*

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO — The government decided Friday to set up a ministerial task force purported to promote the planned liquidation of seven failed housing loan companies, a government spokesman said.

The new team, which will hold its first meeting in the evening, is designed to "strongly back up" a proposed joint-stock corporation to recover loans at the ailing mortgage companies, known as "jusen," said Chief Cabinet Secretary Seiroku Kajiyama, who will head the team.

A regular cabinet meeting in the morning approved the setting up of the "headquarters," as well as adopting a bill to dispose of loans at the troubled companies.

The bill aims to establish the debt-collection corporation within the existing Deposit Insurance Corp. to take over loans held by the mortgage companies.

The ministerial body would not serve as the command but supplement "strong political authority" to the debt-collection entity, Kajiyama told a press conference.

The headquarters would also work to clear the responsibility of the housing loan companies' debtors and creditors.

The team will be comprised of Kajiyama, Finance Minister Wataru Kubo, farm minister Ichizo Ohara, Home Affairs Minister Hiroyuki Kurata in the capacity of chairman of the National Public Safety Commission, and Justice Minister Ritsuko Nagao, plus two senior aides to Kajiyama and a top cabinet legal expert.

The government upgraded a ministerial forum on the housing lenders' debt collection launched in December to the headquarters in an apparent attempt to show the public its strong determination on debt collection.

Public irritation has grown over a government scheme to use at least 685 billion yen, possibly more than 1 trillion yen eventually, to liquidate the mortgage companies that have virtually gone bankrupt due to heavy bad loans to realtors.

Japan: Gist of Bill for Disposal of Housing Loan Firms

OW0902040896 Tokyo KYODO in English
0200 GMT 9 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO — The following is the gist of the government's bill for the liquidation of troubled housing loan companies, adopted by the cabinet Friday.

— The government will use taxpayers' money to maintain credit order and protect depositors, and make up for a half of future losses to be incurred in the debt-recovering process by public funds.

— A new vehicle will be set up with the capital put up by Deposit Insurance Corp. To recover loans taken over from the housing lenders. The vehicle will map out a schedule to complete recovering and disposal of such loans within 15 years.

— The new vehicle will take measures to file a complaint in the case of any crime being detected in the process of collecting loans.

— Deposit Insurance Corp. will be equipped with a right to conduct on-the-spot inspections. Those who reject such inspections will be fined up to 500,000 yen.

— Deposit Insurance Corp. will collect some of the debts on behalf of the new vehicle.

Japan: Murayama Restates Support for Government 'Jusen' Scheme

OW0902122696 Tokyo KYODO in English
1019 GMT 9 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO — Former Prime Minister Tomiichi Murayama on Friday confirmed his confidence in a much disputed plan prepared by his administration to spend taxpayers' money to liquidate bankrupt housing loan firms.

"I think the public has come to accept (the plan), to some extent, through the Diet deliberations," Murayama said in his first regular press conference as leader of the renewed Social Democratic Party, which recently changed its Japanese name.

Murayama said the government has decided to use at least 685 billion yen in taxpayers' money for the liquidation of seven mortgage companies, or "jusen," because it is an issue affecting trust in the Japanese financial system.

Therefore, he said, the plan should not be shelved.

Concerning a request from the major opposition Shinshinto (New Frontier Party) to summon Murayama to the House of Representatives Budget Committee for questioning on the jusen issue, he said he would accede to the request if it is approved by the committee.

Japan: Independent Head Sought for Deposit Insurance Corp

OW0902113296 Tokyo KYODO in English
1053 GMT 9 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO — The Finance Ministry [MOF] plans to name a full-time chief for Deposit Insurance Corp., rather than having the Bank of Japan's senior deputy governor holding the post concurrently, as at present, ministry officials said Friday.

The organization's workforce, numbering 17, will be increased to 40 to 50 as part of the plan to strengthen the body, they added.

The plan is in line with a government bill approved by the cabinet Friday for liquidating seven failed "jusen" housing loan companies.

Under the bill, Deposit Insurance Corp. is to establish a joint-stock company which will take over performing and nonperforming assets held by the mortgage companies.

The corporation is also authorized to help the debt-collecting company by carrying out checks on assets held by borrowers from the *jusen*, and if borrowers reject such inspections, it can lodge complaints against them.

The corporation's headquarters is at the bank of Japan, and its head has been customarily the senior deputy governor of the central bank.

With the increasing burden on the corporation, however, it needs to be strengthened, ministry officials said.

Finance Minister Wataru Kubo discussed such a necessity at a House of Representatives Budget Committee meeting earlier Friday.

According to financial sources familiar with the matter, the Finance Ministry and the central bank appear to favor the new head of the corporation being picked from the legal sector, and being somebody who has not been involved directly in financial policy-making.

Japan: Diet Expects To Summon 13 Witnesses on Housing Loan Problem

OW0902133396 Tokyo KYODO in English
1300 GMT 9 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO — The House of Representatives Budget Committee will summon 13 people to testify as unsworn witnesses before the panel next Thursday [15 February] and Friday in connection with a government plan to liquidate seven virtually insolvent housing loan companies.

Among the 13 witnesses are four former bureaucrats, including two former Banking Bureau chiefs of the Finance Ministry, Nobuyuki Teramura and Masaaki Tsuchida, and a former director of the agriculture ministry, Takeki Manabe.

Also, nine witnesses from the private sector will be called, including Keiichiro Niwayama, former president of Nippon Housing Loan Co., Hiroshi Yamamoto, president of Juso Inc., and Kenichi Sueno, president of the Sueno Kosan Realtor Group.

Nippon Housing Loan and Juso Inc. are two of the seven housing loan firms, and the Osaka-based Sueno Kosan Group is the second biggest borrower from the housing loan companies.

The committee has postponed its decision until next Tuesday on the names of the four politicians it will summon.

The largest opposition Shinshinto (New Frontier Party) is demanding that former Prime Minister Tomiichi Murayama, former Finance Minister Masayoshi Takemura

and secretary general of the ruling Liberal Democratic Party Koichi Kato testify before the committee.

The ruling coalition parties have refused to let Murayama and Kato testify, resulting in the postponement, Diet sources said.

The seven housing loan companies became virtually insolvent when the value of their real estate holdings plummeted with the burst of the "bubble" economy in the early 1990s.

Controversy surrounds the government proposal to include 685 billion yen of taxpayers' money into the scheme to help liquidate the housing firms.

The use of public funds for the liquidation plan has drawn criticism from the public and opposition politicians who feel the issue of responsibility for the financial mess should be determined before the cleanup operations begin.

In a related development, the lower house committee decided to hold public hearings on the fiscal 1996 budget Feb. 22-23.

Japan: Major Civil Engineering Firm Among 'Jusen' Borrowers

OW0902082296 Tokyo KYODO in English
0655 GMT 9 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO — Major civil engineering firm Kumagai Gumi Co. has been revealed as one of the top borrowers from one of seven failed mortgage lenders, industry sources said Friday [9 February].

Data released by the government showed that Kumagai Gumi, which has a strong overseas presence, owes 23.3 billion yen to Nippon Housing Loan Co.

The sources said Nippon Housing Loan lent the money for Kumagai Gumi to help it acquire 50 percent of some 1,550 square meters of land in central Tokyo set aside for construction of the lender's new head office.

Kumagai Gumi took up the loan in hopes of winning the construction contract, the sources added.

A loan contract was signed between the two parties in 1993 after Nippon Housing Loan was already virtually bankrupt due to the collapse of the bubble economy, the sources said.

Kumagai Gumi has continued to pay interest on the loan, as well as the land holding tax.

The contract calls for Nippon Housing Loan to buy back the property from Kumagai Gumi after construction is

completed and refund the interest and tax payments, the sources said.

Nippon Housing Loan has latent losses of 18.9 billion yen on land as a result of the slump in the real estate market, according to a Finance Ministry report.

Japan: Hashimoto Received Y9.88 Million From 'Jusen' Borrowers

OW0902080396 Tokyo KYODO in English
0746 GMT 9 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO — Prime Minister Ryutaro Hashimoto said Friday that he received a total of 9.88 million yen [Y] in political donations from four companies listed among the top 100 borrowers from each of seven housing loan firms (jusen) to be liquidated by using public funds.

Hashimoto told the House of Representatives Budget Committee that he received 5.01 million yen from Kumagai Gumi co., a leading contractor, between 1988 and 1992, and another 3.02 million yen from the construction firm Higashi Kensetsu in Fukuoka during the same time frame.

Hashimoto also said that between 1988 and 1994, he received 1.31 million yen from F.V.L., a real estate firm belonging to the F.V. Group.

Another real estate firm in Tokyo, K One, contributed 540,000 yen between 1986 and 1991, the prime minister said.

Hashimoto told the budget committee that the donations were all handled under the political funds control law and have been carefully investigated by his office.

"I want to hear from my accountant and then make a report," Hashimoto said in response to questioning by Kaneshige Wakamatsu of the main opposition party Shinshinto (New Frontier Party).

Meanwhile, Chief Cabinet Secretary Seiroku Kajiyama said it would be "desirable" to investigate each of the cabinet ministers in order to determine if they had received political contributions from the housing loan firms or their debtors.

The committee agreed unanimously at Friday's morning session to invite relevant people to testify before the committee next Thursday and Friday. Selection of who to call was scheduled for Friday's afternoon session.

The list is expected to include officials from the finance and farm ministries, including Nobuyuki Teramura, the former head of the Finance Ministry's banking bureau, as well as executives from the mortgage firms.

The Hashimoto government plans to liquidate the virtually bankrupt housing loan firms under a scheme using at least 685 billion yen in taxpayers' money, a plan that has drawn considerable fire from the opposition camp, mass media and the general public.

Tokyo Sets Up Headquarters for Liquidating Loan Firms

OW0902141396 Tokyo KYODO in English
1230 GMT 9 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO — The government launched a ministerial task force Friday to promote the planned liquidation of seven failed housing loan companies with the use of taxpayers's money, a government spokesman said.

Chief Cabinet Secretary Seiroku Kajiyama told the new team's inaugural meeting in the evening that the cabinet must be united to help collect outstanding debts to the companies and clarify the cause and responsibility for the financial fiasco, Deputy Chief Cabinet Secretary Teijiro Furukawa said.

Kajiyama, who heads the team, told participants it is indispensable to gain public support for the government plan to use taxpayers' money, Furukawa said.

Other ministers attending the meeting also voiced determination to do their utmost for the issue, while keeping in close contact with ministries and government agencies, Furukawa told a press conference.

He said he heads a working-level squad to advise the ministerial team on measures to promote recovery of the loans.

The ministerial body and the working-level support team plan to hold meetings frequently, he said.

Kajiyama said earlier in the day that the new ministerial team is designed to "strongly back up" a proposed joint-stock corporation to recover the loans owed to the housing mortgage firms, known as "jusen."

A regular cabinet meeting in the morning approved the creation of the ministerial "headquarters," as well as adopting a bill to dispose of loans at the troubled companies.

The bill aims at establishing the debt-collection corporation within the existing Deposit Insurance Corp. to take over loans held by the mortgage companies.

The ministerial body would not serve as a command post but would back the debt-collection entity with "strong political authority," according to Kajiyama. The headquarters would also work to clarify the responsibility of the housing loan companies' debtors and creditors.

The team will be comprised of Kajiyama, Finance Minister Wataru Kubo, Minister of Agriculture, Forestry and Fisheries Ichizo Ohara, Home Affairs Minister Hiroyuki Kurata in his capacity as chairman of the National Public Safety Commission, and Justice Minister Ritsuko Nagao, plus Furukawa and another senior aide to Kajiyama and a top cabinet legal expert.

The government upgraded a ministerial forum on collecting the "jusen" debts, launched in December, to the task force, in an apparent attempt to show the public its strong determination on debt collection.

Public irritation has grown over a government scheme to use at least 685 billion yen, possibly swelling to more than 1 trillion yen, to help liquidate the mortgage companies that have virtually gone bankrupt due to huge amounts of loans to realtors which have not been repaid.

Japan: LDP Panel Eyes Financial Monitoring Agency

OW0902125296 Tokyo KYODO in English
1133 GMT 9 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 9 KYODO — The administrative reform panel of the ruling Liberal Democratic Party (LDP) has decided to look into the possibility of setting up an independent agency to oversee financial institutions by stripping the Finance Ministry of that authority, LDP sources said Friday.

The sources said the projected agency will be established as part of a potential breakup of the powerful ministry in the wake of the housing loan scandal.

The new agency will also take over the powers of both the farm and trade ministries to monitor financial institutions under their jurisdiction, the sources said.

Kiyoshi Mizuno, head of the LDP administrative reform panel, said in an interview with KYODO news that he strongly favors creating an independent agency outside of the Finance Ministry to swiftly examine financial institutions and release data to the public.

Mizuno hinted that the new agency should be based in a local city outside of Tokyo, while the National Tax Administration Agency should remain in Tokyo.

Currently, the Finance Ministry oversees the nation's banks, brokerage houses and insurance companies, the Ministry of International Trade and Industry oversees credit companies and the Agriculture, Forestry and Fisheries Ministry oversees farm-related financial institutions.

Japan: Hashimoto, Ozawa Political Style Compared OW0802141496 Tokyo EKONOMISUTO in Japanese 6 Feb 96 pp 74-77

[Article by Ryota Tanaka, MAINICHI SHIMBUN editor: "'Tanaka's Political Legacy' Sweeps Ruling and Opposition Parties; 'Pampering Bureaucrats' Tactics Prevail"]

[FBIS Translated Text] Tanaka's Legacy Monopolizes Politics On the Whole

Let me tell an episode about Ryutaro Hashimoto who has since become prime minister.

In mid-1972 during the last phase of the Sato regime, Eisaku Sato reluctantly started to coordinate who would succeed him as president of the Liberal Democratic Party (LDP). Sato undertook such coordination because the group supporting Kakuei Tanaka was rapidly catching up with Takeo Fukuda whom Sato had in mind as his successor in the race that had started to assume the appearance of a contest between Kaku and Fuku.

One day Sato called in Tanaka, minister of international trade and industry, and asked, "How about your yielding to the senior Fukuda given you are younger?" Tanaka refused, stating: "I regret that I cannot accept the prime minister's offer because I am at the point of no return."

Several days later, Sato summoned to the Prime Minister's Official Residence Tomisaburo Hashimoto, who had become a leader of Tanaka's support group despite being an elder in the Sato faction, and told him he wished to make Fukuda the LDP's next president. Hashimoto, however, declined to say yes. Another LDP elder Kiichi Aichi was summoned to no avail. The third person called in that day was young 35-year-old Ryutaro Hashimoto who had been elected three times to the Diet. "Are you also a supporter of Tanaka?" asked Sato. "Yes, I am, because I think politics needs a generational change," Hashimoto replied distinctly.

That episode is quoted in "Today's Question" column of ASAHI SHIMBUN evening edition on 13 February 1985. The column said that the episode had been recounted by Toshio Kimura [who served as chief cabinet secretary and foreign minister, and died in December 1983] in his later years. Worth noting is the fact that Hashimoto was the decisive "Tanaka follower" who rendered a fatal blow to the "Sato arrangement" on which the Fukuda camp had placed its hope.

Now Ichiro Ozawa, president of the New Frontier Party (NFP), came to the fore as a politician to 'confront' Prime Minister Hashimoto. Ozawa was a regular observer at the trials of Marubeni's involvement in the Lockheed scandal.

Ozawa attended 191 trials without fail to hear court proceedings for six years and 10 months from the first public trial in January 1977 to the final judgment trial in October 1983. Were it not for a Tanaka follower, no such things could have ever been expected.

The July 1993 general election put an end to the LDP's one-party rule that had lasted for 38 years since 1955. Let us look at those who were illuminated when the Hosokawa regime came into being.

Morihiro Hosokawa was the prime minister, Takako Doi was speaker of the House of Representatives, and Yohei Kono was the president of the most powerful opposition party, the LDP. They all had one thing in common: they were lead players in creating booms: Kono triggered the New Liberal Club boom in the 1976 general election; Doi gave rise to Doi booms in the House of Councilors election in 1989 and the general election in 1990; and the Hosokawa boom was at its peak in the House of Councilors election in 1992 and the general election in 1993. They provided the expectation that Japan's politics were being transformed into the management centered around personalities the voters have affection for, not by the logic of "nagatacho."

Two and a half years later, the only survivor among them is House Speaker Doi. When the Hashimoto regime was born, the posts of both the prime minister and presidency of the most powerful opposition party were occupied by the disciples of Kakuei Tanaka and his successor Noboru Takeshita.

In the meantime, the NFP, Komeito, the Japan New Party and the Japan Democratic Socialist Party [DSP] that had supported the Hosokawa regime were reorganized to become an opposition NFP, and the reins of power were switched to the tripartite coalition of the LDP, the Social Democratic Party of Japan [SDPJ] and Sakigake [Harbinger]. Names of prime minister dizzily changed from Hosokawa, Tsutomu Hata, Tomiichi Murayama, to Hashimoto.

In my opinion, it is trivial to listen to assertions of each political force and classify the position of each regime; for example, the NFP is a radical reformist and the tripartite coalition regime is heading for moderate politics. Essentially important is the reality that successors to Tanaka politics came to control not only the ruling but also opposition party, that is to say, politics as a whole has become Tanaka politics.

Without Ideologies

What are Tanaka politics? I will not use the cliché "money, politics, and corruption" to define it, but will try to come close to reality.

The first thing that comes to mind is that it is nonideological. Tanaka's biggest achievement in office was none other than the normalization of Japan-China relations. Although it did not garner much attention, it was Tanaka who held private talks with Sanzo Nosaka, chairman of the central committee of the Japan Communist Party [JCP] in January 1973—as the first prime minister in Japan's constitutional history. That was a performance befitting a dove.

On the other hand, he had legislation to secure teaching personnel passed and made public his readiness to proceed with legislation on Hinomaru and Kimigayo to define them as Japan's national flag and national anthem, in a sharp confrontation with the Japan Teachers' Union. That was the display of a hawk.

Under the Cold War framework, the LDP's factions could be classified into doves and hawks. Among the five large factions at the time of the Sato regime's collapse, the Fukuda and Nakasone factions were hawks while the Ohira and Miki factions were doves. However, because the composition of the factions were dependent on human connections, there happened to be hawkish politicians in the factions aspiring to be doves, and vice versa.

Moreover, not all hawkish politicians were on good terms, nor were those that were dovish. Despite this, distinguishing factions as hawkish or dovish was possible.

Only the Tanaka faction was impossible to categorize, because it was a nonideological "powerhouse." In the political sphere, its only objective was to enlarge "power." Thus, the Tanaka faction could act as either hawk or dove depending on the political context of the moment. In a good sense, the faction could be called flexible, while in the bad sense without principle.

What did the nonideological powermonger Tanaka do to achieve real power? One method was to conspire with bureaucrats. One of the "achievements" Tanaka boasted until later on was levying petroleum taxes, such as the gasoline tax, and specific financial funding for road improvements, by passing emergency legislation for road improvements and the like. They formed a series of legislative bills passed in 1953 and Tanaka was the center of the Diet group demanding the legislation.

Thus Tanaka could secure the financial funding for road improvement, becoming a "benefactor of roads." That also resulted in securing "budgets" for bureaucrats connected to the ministry of construction. Thus Tanaka was also a "benefactor for construction ministry bureaucrats."

In 1964, as finance minister, Tanaka carried out daring structural reforms of the ministry, including the establishment of the Securities Bureau. It gave Finance Ministry bureaucrats authority to supervise securities firms and increased the number of positions to be filled by them.

Numerous positions that were without authority or power were created for the sake of another slot. There were vice presidencies in public corporations or finance corporations which were represented only by presidents. All vice presidencies were reserved for retiring bureaucrats to occupy. According to Osamu Hashiguchi, who served the Finance Ministry's director general of the Budget Bureau, administrative vice minister of the National Land Agency, and chairman of the Fair Trade Commission, Tanaka used to say, "It is not a descent from heaven, but an ascent to heaven because their pay goes up." (quoted from the NHK Special "Remaking the Archipelago—Challenge and Fall of Kakuei Tanaka," eighth in the series "50 Postwar Years, Japan at That Time")

Bureaucrats aspire to budget (money), power, and position. Tanaka made all three available and all bureaucrats became sympathetic to Tanaka. That is why there still is an "aspiration for a second Tanaka."

A myth developed that Tanaka was popular among bureaucrats because he provided them with pocket money as "bon" and year-end presents. If the myth ended there, it could be a relief.

Vice presidents of public or finance corporations currently are paid 70 to 80 million yen yearly. (They will be paid an enormous amount of retirement allowances of nearly 100 million after two to three years of service.) And Tanaka politics is resorting to that method to make the money available from tax money.

Joining Hands With Other Factions and Opposition Parties

Collusion with other factions is another method used by Tanaka politics. Since the forming of the Hayato Ikeda cabinet in 1960, the "mainstream of conservatives" were divided into Ikeda and Sato factions. Tanaka, while remaining in the Sato faction, strengthened his alliance with Masayoshi Ohira of the Ikeda faction. Thus he was able to serve in such important positions as the LDP's chairman of the Policy Research Council in July 1961, and as finance minister in July 1962 under the Ikeda regime.

Based on that experience, Tanaka was strongly conscious of cooperation with Diet members from other factions. The Tanaka faction was reputed to be "nu-

merically strong" and Tanaka's source of strength was based on the "clandestine Tanaka faction" within the other factions.

Moreover, Tanaka joined hands with opposition parties. In the 1966 mayoral election in Nagaoka City, central city in the Niigata 3d Constituency, Kohei Kobayashi, former House of Councilors member on the left wing of the Japan Socialist Party (JSP), was elected on the joint JSP-Communist Parties ticket. Kobayashi sought a second term in 1970 and the LDP ran its own official candidate under the slogan of recapturing the mayoral post. However, Tanaka's Etsuzankai actually supported Kobayashi, selecting access to the ruling party in the city administration in disregard of ideology.

In 1975 while serving his fifth term as Nagaoka City mayor, Kobayashi proposed and achieved a compromise plan to settle the Shinanogawa riverbed problem, a representative example of Tanaka's "monetary scandals." Joint ownership of the riverbed by Muromachi Sangyo, an affiliated Tanaka enterprise, and the Nagaoka City was the answer that was unmistakably favorable to Tanaka.

Tanaka also joined forces with opposition parties at the national level. The Sato regime was said to have survived the 1965 Diet controversy over Japan-ROK normalization by cooperation between Tanaka, then the LDP's secretary general, and Ikko Kasuga, then the JDSP's chairman of the Diet Affairs Committee and later the JDSP chairman; and the 1971 Diet controversy over Okinawa's reversion to Japan through cooperation between then MITI Minister Tanaka and Komeito Chairman Yoshikatsu Takeiri.

Tanaka achieved real power by joining forces with bureaucrats, other factions and even with opposition parties. Without any capital to start with and without an academic background, Tanaka began as a Diet member that grew a figure with substantial political power.

Tanaka's disciples follow his *modus operandi*. In autumn 1988, Prime Minister Noboru Takeshita made the consumption tax bill pass the Diet while under fire for suspicion of involvement in the Recruit scandal.

It was necessary for him to present the Finance Ministry bureaucrats' "giant consumption tax," long pending since the Ohira cabinet, in order to declare Takeshita, who served as finance minister and LDP secretary general under the Nakasone regime, as Tanaka's successor.

Succeeding him, Ozawa seems to have a fixed idea that raising the consumption tax rate is the only way to please Finance Ministry bureaucrats. In February 1994 under the Hosokawa regime, he attempted to materialize a seven percent "national welfare tax" as a gift to

Finance Ministry bureaucrats headed by Administrative Vice Minister Jiro Saito.

Hashimoto is second to none in "flattering" bureaucrats. As LDP chairman of the Research Commission on Public Administration and Finances, he supported the Nakasone's administration reforms and allowed ministries and agencies "to go fat" by taking advantage of administrative reforms. He adopted the attitude that he did not care about the increase in the number high-level bureaucrat positions and the number of bureaus and divisions, so long as bureaucrats agreed to structural reforms of ministries and agencies in response to the "reform" call.

Thus Hashimoto's popularity shot up at a breadth among bureaucrats and jumped from Welfare zoku giin [lobbyist politician] to a politician with a label of "zoku giin to all ministries and agencies."

As ties with opposition parties are strengthened in line with the tradition of Tanaka politics, all opposition parties except for the JCP are gradually losing their ability to exist as independent political parties.

Relations between Shin Kanemaru and Makoto Tanabe, who succeeded Doi as JSP chairman, were so open that they could not be imagined with such important persons of ruling and opposition parties. In 1972 Kanemaru became LDP chairman of the Diet Affairs Committee and Tanabe the JSP counterpart.

In 1984 under the Nakasone's regime, Kanemaru was LDP secretary general and Tanabe was JSP general secretary. In July 1991 when Kanemaru became a "guardian" of the Kaifu regime, Tanabe became JSP's chairperson. Both men made full use of their counterpart's strength to climb the career ladder.

In the 1991 Tokyo gubernatorial election, Ozawa as the LDP secretary general entered a complete cooperative relation with Komeito and the JDSP. Making clear his position that he would "not support" 80-year-old incumbent Shunichi Suzuki, Ozawa stood behind Hisanori Isomura, NHK chief editor. Although totally defeated by Suzuki, recommended by the LDP's Tokyo Branch, he firmly established total cooperative relations among Ozawa, Komeito and the JDSP. The New Frontier Party of today was born out of it.

Meanwhile, the LDP took full advantage of Seiroku Kajiyama's relationship with Murayama. When Kajiyama was LDP chairman of the Diet Affairs Committee, Murayama was chairman of the JSP Diet Affairs Committee. Immediately following the formation of the Hosokawa regime, Murayama at the leftist group's recommendation assumed chairmanship of the Social Democratic Party of Japan [SDPJ]. The Murayama regime, from June 1994 to the beginning of this year,

when it resigned, can thus be classified as an interim regime connecting the Hata regime supported by Ozawa, Komeito, and the JDSP, to Hashimoto's LDP regime.

Black Humor

The mass media refer to confrontation between Ozawa and Hashimoto as "Ichi-Ryu Taiketsu [duel]," but "Ichi," which stands for Ozawa and "Ryu," which stands for Hashimoto are as similar as identical twins and they and their neighborhood probably have something like bad blood between close relatives.

At present an urgent political issue is the government plan to allocate public funds to help liquidate the "jusen" firms suffering from bad loans. No effective measures have so far been taken since the start of the 1990's when the problem was pointed out. It is unimaginable for Finance Ministry bureaucrats to propose use of tax money when the problem came to a total deadlock, if they had a sense of responsibility. Including the various scandals involving Finance Ministry bureaucrats, the evil effects of "flattering bureaucrats" practiced since Tanaka's days all of sudden exploded.

It is nothing but black humor that the top leaders of both the ruling and opposition parties, to deal with the disposition of the problem, are none other than the legitimate successors to "flattering bureaucrats" methods.

Japan: Analyst Praises Beginning of Party Politics

OW0902005696 Tokyo SANKEI SHIMBUN
in Japanese 29 Jan 96 Morning Edition p 7

[Article by political commentator Taro Yayama from the "Seiron" column: "Party Politics Is Now Beginning in Japan"]

[FBIS Translated Text]Free From Self-Righteous Bureaucratic Politics

The next general election will be an election to decide whether the nation wants Ryutaro Hashimoto of the Liberal Democratic Party [LDP] or Ichiro Ozawa of the New Frontier Party [NFP] as next prime minister. The nation did not have such an election to choose a prime minister even under the pre-war two-party system wherein Seiyukai and Minseito vied as two major parties. Indeed this election marks the beginning of party politics in Japan.

The reason party politics is a desirable system is because it compels the party coming into power to carry out the platforms it promised in election campaigns. Japan's politics was led by feudal clans before the war and has been led by bureaucrats since the end of

the war. Bureaucrats have stood at the pinnacle of a triangle of the collusion among politicians, bureaucrats and businessmen, and have always manipulated the politicians. What has made that manipulation possible was the medium-sized district electoral system, which meant the politicians could be elected if they had enough votes from industry. Politicians have been reduced to being the tools of bureaucrats. Also, politicians are busy acting as Diet lobbyists [zoku giin] and protecting the interests of the industry.

The housing loan corporation [jusen] issue is a good example that shows how deeply rooted the self-righteousness of the bureaucracy is. Having given little thought to any other alternatives, the bureaucrats are now talking about resolving the issue by pouring a huge amount of tax money into jusen. Government finances are already in jeopardy. Who are responsible for all these failures? The only way for this country to be freed from such irresponsible bureaucracy would be to have party politics system established and take its root.

Thanks to the new electoral system that has been installed, however, now party politics system is about to start in this nation as well. This single-seat electoral system is aimed at inducing a two-party system. Most likely, all the splinter parties will get absorbed into the two major parties — the LDP and the NFP — eventually. The new electoral system started the process of political realignment, and has succeeded in reducing the LDP's factions to groups that exist in name only. The political world is still in a transitional period, and chaotic. But it can be said to be basically heading in the right direction toward settling down of the party politics system.

With the general election approaching, in the political circles now there are some who say we should return to the old election system or should revise the new election system. But that is an outrageously mistaken notion. That is tantamount to throwing all the political world's past efforts to improve itself down the drain.

Some people complain that it takes more money to campaign in a small electoral district under the new system or that the election campaigns are liable to turn into a competition for handing out mud-slinging leaflets. Are they saying that campaigns under a medium-district system did not need any money or that under the old system they did not compete with each other to hand out leaflets? What the politicians should do now is polish up their parties toward the goal of securing party politics system in this nation.

General Election Looking More Like Public Vote To Elect Prime Minister

Now we have a situation that looks more like a public vote to elect prime minister, choosing either Hashimoto or Ozawa. In casting their ballots, the public will think about the two men's credibility, platforms of the parties they belong to, and their ability and competence as party heads. If the candidates want to get elected, they will have to do well as party heads and to get earnest in formulating policies.

Some insist that because both of their parties are conservative, their policies are very much alike, and, consequently, there are no yardsticks by which to make a choice. But Prime Minister Hashimoto's new-year keynote speech in the Diet and Ichiro Ozawa's Diet interpellation as president of the NFP have already shown that there is a major difference in the political positions of the two. Ozawa says he wants: 1) to reorganize existing 20 ministries and agencies into 15 ministries and agencies; 2) to make it a principle to dissolve all special-status corporations in five years from now, and 3) to aggressively implement the plan of transferring government power to local governments. If these goals are to be achieved, extensive action will become unavoidable, and they will probably come to include the revision of the financial investment structure, and the division and privatization of postal service and savings organizations [yucho]. What the NFP wants to do is to affect a major reform of the existing administrative and economic systems.

As for Hashimoto, even though he himself calls his cabinet a cabinet for "change and creativity," we cannot see a path of visible change in it. The LDP and the Social Democratic Party [SDP] are likely to favor the status quo or only gradual change. That is because that would be the only way for them to defend the order of the industries and trade unions which are their grass roots. When Junichiro Koizumi ran in the last LDP presidential election, announcing the privatization of yucho as one of his goals, he had trouble getting signatures of even a minimum 20 supporters to qualify as a candidate to run in the race. That tells well the story of how they do not want a change. Of course, the Japan Postal Workers' Union, which supports the SDP, is against the privatization of yucho too.

While there are these two major currents in the political world, there is also a very incomprehensible situation arising within the NFP recently. This is the activation of the Hata group. The NFP was formed by the merger of many political parties and groups like the Japan Renewal Party, Komeito, the Japan New Party, the Democratic Socialist Party, and Mirai. It needs time for

such a political organization to mature into a political party, but what is happening now can be a move to split it up again.

It was Morihiro Hosokawa who had proposed adopting the open primaries [preceding two words in English] system to enable the public to participate in the party's presidential election. Tsutomu Hata for his part had declared, "Anyone should be allowed to run in the party presidential race under the principle of intraparty democracy." If they are saying now they "cannot work together" with Ozawa who won in the race, that will not make sense. That will only prove neither voting nor intraparty democracy can be of any good in that party.

Complaining About "Way Things Are Done" Comes From Personal Emotions

Now as for the LDP, its leadership appears to be wanting to go toward the way of merging all coalition parties — the LDP, the SDPJ, and New Party Sakigake [Harbinger] — into one. But the so-called "conservative mainstreamers" appear to be wanting to go toward a coalition with other conservatives. Their concept is said to be that of throwing the SDPJ people out of the coalition and pulling in 50 to 60 dietmen from the NFP. Does Hata's action have anything to do with this move for a coalition with other conservatives?

I would like to ask a question here. Hata and Hosokawa have so far advocated dynamic administrative reform and deregulation, and these should have been the major political goals for them. Do they think such daring reform will be possible even when working together with the LDP? The Hata group's political goals are the same as those of Ozawa, but the group says it cannot work with him because they "do not like his arbitrary way of doing things." If they were not happy with the way he does things, the right thing to do would be to use the check functions of the party. The most important goal for them is to carry out the "reform." Complaining "we don't like the way he does things" is an act of putting personal feelings ahead of this important goal. They must not digress from their main objective.

Japan: Launch of J-1 Rocket Postponed Until 11 Feb

OW0902030196 Tokyo KYODO in English
0250 GMT 9 Feb 96

[FBIS Transcribed Text] Tanegashima, Japan, Feb. 9 KYODO — Japan on Friday postponed for the third time in a month the launch of a new domestically developed rocket until Sunday due to unfavorable weather conditions.

The 33-meter J-1 rocket, developed by the National Space Development Agency of Japan (NASDA), was to have lifted off from the NASDA space center on Tanegashima Island in southwestern Japan early Friday.

But forecasts of rain prompted the agency to reschedule the launch of the rocket, the first of the J-1 series, which is to carry into space the Hyflex craft, an experimental hypersonic plane aimed at perfecting techniques necessary for developing a Japanese version of the space shuttle.

The rescheduled launch may be postponed again because there is a possibility of strong winds stirring up the sea near Ogasawara Islands, some 1,000 kilometers south of Tokyo, where Hyflex is scheduled to splash down.

Divers have to tie a rope around the Hyflex craft to retrieve it from the ocean, a maneuver which can only be carried out safely if waves are not higher than 3 meters.

The rocket's launch, originally scheduled for Feb. 1, was postponed after discovery of a malfunction in parts of Hyflex. It was then rescheduled for Wednesday, but bad weather forced a second postponement till Friday.

The J-1, a three-stage vehicle equipped with the same solid fuel booster as the H-2 rocket, was developed to send small satellites into orbit.

Its launch cost is estimated at 5 billion yen, as opposed to the 19 billion yen it cost to launch the H-2, the first major space vehicle developed and manufactured entirely by Japan.

North Korea

DPRK: U.S. Denounced for 'Encouraging' North-South Confrontation

SK0902044096 Pyongyang KCNA in English
0432 GMT 9 Feb 96

[“U.S. Warned Not To Instigate Puppets to Showdown” — KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA) — NODONG SINMUN today warns the bellicose elements of the United States to clearly see what grave consequences would come from their encouragement to the South Korean puppets for inter-Korean confrontation, which leads the situation on the Korean peninsula to the brink of war.

Under the pretext of "threats from North Korea," the U.S. bellicose elements transfer great numbers of tanks, helicopters, missiles and other means of war to the South

Korean puppets and mobilize them in war maneuvers against the North.

They bring nuclear-powered submarines and other modern weapons to South Korea for joint military exercises with the puppets every day. They plan to hold a joint drill in mid-February involving the aircraft carrier independence and latest-type strategic bombers. They also plan to train puppet Army commanding officers of division level in Texas, the U.S., in March.

The news analyst says:

With this zealous backing, the South Korean puppets are running wilder in confrontation and war against the North. This prevents the tension on the Korean peninsula from being relaxed, and places the peninsula in a touch-and-go situation.

If the bellicose elements of the U.S. continue encouraging the South Korean puppets to inter-Korean confrontation and driving the situation on the peninsula to the brink of war, the DPRK-U.S. agreed framework will, needless to say, be exposed to danger.

If the United States wants peace on the Korean peninsula, it must stop its activities for war and confrontation, sincerely work to create a favorable atmosphere for the implementation of the agreed framework and immediately respond to the DPRK's proposal for a lasting peace on this peninsula.

We will sharply watch the behavior of the United States.

DPRK: KCNA Denounces 'Ceaseless War Exercises'

*SK0902083096 Pyongyang KCNA in English
0819 GMT 9 Feb 96*

[*"Ceaseless War Exercises" — KCNA headline*]

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA) — Around 1,200 fighters belonging to the South Korean puppet air force and the U.S. Seventh Air Force carried out a war exercise against the North day and night over February 5-7 with the sky above the West Sea [Yellow Sea] of Korea as an operational theatre, according to military sources.

On February 6 and 7, "KC-135" tankers flew to give mid-air refueling to the planes of the U.S. Air Force and the South Korean puppet air force in an air war exercise against the North.

On the same days, more than 10 large transport planes of the puppet army had a large-scale air-lifting exercise in the sky above Paju County, Kyonggi Province, simulating an infiltration of "commandoes" into the strategic in-depth area of the North.

In another development, on February 5 and 6, an "RC-135" strategic reconnaissance plane made a long-time flight along the Military Demarcation Line towards the sky above the East Sea [Sea of Japan] off Yangyang in South Korean Kangwon Province for espionage on the overall areas of the northern half of Korea, and "P-3" patrol planes, too, made an aerial espionage on the eastern coastal areas, waters and seabed of the North.

DPRK: Dialogue Views ROK's Maneuvers for Confrontation, War

*SK0902085996 Pyongyang Korean Central
Broadcasting Network in Korean 0754 GMT 8 Feb 96*

[Dialogue between station reporters Chong Song-kwang and Yi In-chun: "War Adventure Is Not the Way to Avert Crisis"]

[FBIS Translated Text] [Chong Song-kwang] How are you?

[Yi In-chun] How are you?

[Chong] These days, the puppet traitor Kim Yong-sam is further accelerating preparations for a war of northward invasion. This hour, I would like to discuss this matter with you.

[Yi] Yes. As was reported, on 22 January the puppet National Defense Ministry announced that a P-3C antisubmarine patrol plane had been introduced from the United States for the eighth time. With the introduction of this plane to South Korea, the South Korean puppets have reportedly completed their plan to introduce a total of eight P-3C antisubmarine patrol planes. The price of a P-3C antisubmarine patrol plane, which is reportedly equipped with ultramodern equipment, is said to be 85.5 billion won. In fact, its price is so high that the previous military dictators of South Korea could not even dream of introducing it. Nevertheless, the Kim Yong-sam ring has introduced a total of eight P-3C antisubmarine patrol planes, since last April.

[Chong] In other words, we can say that the Kim Yong-sam ring ran through funds amounting to as much as 680-odd billion won in less than a year in order to introduce the antisubmarine patrol planes, which even the previous military dictators did not dare to dream of. This fact alone vividly shows that the Kim Yong-sam ring is accelerating the arms buildup more frantically than the previous military dictators.

[Yi] That's right. On the day when he announced the completion of the introduction of the P-3C antisubmarine patrol planes, the puppet national defense minister released a so-called national defense minister's command instruction letter to high-ranking officers of the

puppet army. In the letter, he stressed the need to increase the puppet army's combat capabilities by establishing firm military discipline and developing a command and control structure within the puppet army. This open clamoring by the puppet defense minister about establishing firm military discipline, developing a command and control structure within the puppet army, and so forth, vividly shows that puppet traitor Kim Yong-sam's frantic preparations for war have reached a serious stage.

[Chong] That's right. In actuality, war exercises for a northward invasion are being frantically staged in South Korea. A joint antisubmarine operation exercise between the U.S. Forces in South Korea and the puppet army was staged in South Korea until 29 January, and a joint aerial operation exercise is being staged everyday in the area along the Military Demarcation Line with the aim to perpetrate a preemptive attack against us. Thus, a war exercise is being staged in South Korea everyday.

At a time when such a frantic war exercise is being frantically staged in South Korea, the puppet defense minister released a command instruction letter urging the puppet army to increase its combat capabilities. What does this mean? It is only too clear.

[Yi] There are insidious intentions behind the introduction of antisubmarine patrol planes and the release of the defense minister's letter of instruction this time.

As everyone knows, the Kim Yong-sam puppet clique is in a corner. Puppet traitor Kim Yong-sam has been branded as an accomplice of the secret fund scandal and as the supporter of the murderers of the Kwangju incident, because he received as much as one trillion won in slush money from puppet traitor No Tae-u and [words indistinct]. Puppet traitor Kim Yong-sam is also trying to soothe the increasing anti-Kim Yong-sam spirit among the South Korean people. However, he [passage indistinct].

Embarrassed by this, clamoring about the theory of a threat from the North, puppet traitor Kim Yong-sam is frantically accelerating war preparations in a bid to divert the South Korean people's attention to the secret fund scandal elsewhere.

[Chong] The Kim Yong-sam puppet clique's announcement of the introduction of antisubmarine patrol planes and the release of the puppet defense minister's command instruction letter this time were aimed at averting the present crisis. It also means that if the situation continuously deteriorates in South Korea, the Kim Yong-sam clique will ignite the fuse of a war of northward invasion.

[Yi] I agree with you. However, the maneuvers for confrontation and war cannot become a way out for the South Korean puppets. We will keenly watch the maneuvers for war by puppet Kim Yong-sam and his stooges and will never allow them. The South Korean people will also forgive the warmaniacs who are trying to bring about the dark clouds of war. Puppet Kim Yong-sam and his ring should not find a way out in accelerating an adventurous war commotion and should step down from power immediately.

[Chong] Thank you.

DPRK: Dailies Condemn ROK Foreign Minister's Remarks on Ties

SK0902045596 *Pyongyang KCNA in English*
0444 GMT 9 Feb 96

["Utterances of Ruffian With Dagger in His Belt" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA) — Papers here today comment on the recent utterances made by the South Korean puppet foreign minister, Kong No-myong, abroad.

He asked his Japanese master to "restrain himself in the resumption of negotiations for diplomatic ties with the North" until there is "progress in the inter-Korean relations" and to persuade the North into "responding to dialogue between the South and the North."

NODONG SINMUN in a signed commentary says:

The South Korean puppets are ineligible for a partner of dialogue with the North because of their high treason against the country and the nation. It is the height of impudence for them to cry for "improved relations between the South and the North" and "resumption of dialogue"; it is no more than an unbearable mockery of the North.

The puppets, quite indifferent to dialogue and reunification, are hell-bent on frantic anti-DPRK confrontation and war provocations against the North, leading the situation of the country to a more dangerous brink of war.

It is clear to anyone that the "improvement of inter-Korean relations" and "resumption of dialogue" which they are talking about, while trying to do harm to the dialogue partner, are all sham.

We have no willingness to sit face to face with those with dagger in their belt.

MINJU CHOSON in a by-lined commentary says:

The utterances of Kong No-myong, the puppet, are aimed at abusing inter-Korean dialogue and relations

for a sinister purpose with the backing of the outside forces.

Nobody should be played into the hands of the Kim Yong-sam group. If anyone chimes in with its scheme, he will be humiliated by the world people.

DPRK: KCNA Reports on Interview With ROK Defector

SK0902095996 *Pyongyang KCNA in English*
0953 GMT 9 Feb 96

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA) — Crewmen of the South Korean fishing boat "707 Taeyong" were interviewed by reporters at Pyongyang Koryo Hotel today. They defected to the northern half of Korea some time ago.

In the press conference master Kim Chong-on introduced the crewmen — Ko Chon-kwon, honorary master; Kim Chong-hyon, chief engineer and the master's elder brother; and Yi Kil-sim, the master's wife.

The crewmen told reporters about the motive and course of their defection.

"707 Taeyong" left Songsan Port on the Cheju Island, South Korea, on December 26, 1995 and sailed far away towards the East Sea [Sea of Japan] but caught a small amount of fish.

The fishermen led a subhuman life in South Korea without education and property.

Kim Chong-on married Yi Kil-sim last year. He had been single till 36 years of age for the mere reason that he was a poor fisherman.

Kim Chong-hyon heard no news about his wife after she left home to earn money. Unable to feed his two children, four-year old and two-year old, he had to give them to others.

Ko Chon-kwon worked his fingers to the bone till about 60 years old.

Listening to radio of the northern half of Korea aboard, the crew learned that the great General Kim Chong-il is enforcing politics for the people in the North. They have since longed for the North.

When Kim Chong-on and his elder brother asked Ko Chon-kwon to join them in defecting to the North rather than live a subhuman life without hope, as lifelong fishing would bring them nothing but suffering, Ko assented to their proposal.

They were drifted far away by the waves for a long time, till the ship could, at last, arrive at Kim Chaek Port on the east coast of the northern half of Korea on January 28.

They said what they saw and felt in the North.

Kim Chong-on said he could hardly believe that working people live in splendid apartment houses in Kwangbok Street without paying rents. The North is indeed a wonderful society, he noted.

Yi Kil-sim said: "I have been to the Pyongyang Maternity Hospital and Kim Chong-suk creche. Seeing women give birth to children at the palace-like hospital without paying a fee, I strongly felt like bearing a child there."

Ko Chon-kwon said, "For lack of money, I dared not think of artificial teeth in South Korea. But, I had them put in and had my leg treated in the North free of charge, although it is not long since the defection. Indeed, it seemed as if it were a dream."

Kim Chong-on said all these are thanks to the great General Kim Chong-il, who is making politics truly for the people.

Depravity of South Korean society was mentioned in the press conference.

"Because South Korea is a society in which money is almighty," said Kim Chong-on, "the fishermen can get nothing although they do backbreaking labour."

"As the successive 'presidents' of South Korea were all thieves, so are the 'ministers, deputy ministers', 'National Assemblymen', prosecutors and judges," Kim Chong-hyon said.

Yi Kil-sim said, "Voices calling for taking Kim Yong-sam to Anyang Prison are growing louder among the people of South Korea."

Noting they are convinced, in the North, that reunification is at hand, they voiced resolution to work hard for national reunification.

DPRK: Talk Denounces 'Nation-Selling' Acts of Kim Yong-sam

SK0802114896 *Pyongyang Korean Central Broadcasting Network in Korean* 0755 GMT 7 Feb 96

["Dialogue" between station reporters Chong Song-kang and Yi In-chun: "Colonial Puppet's Loathsome Flunky and Nation-Selling Act"]

[FBIS Translated Text] [Yi In-chun] How are you?

[Chong Song-kang] Fine. How are you?

[Yi] Fine. The puppet traitor Kim Yong-sam, in collusion with outside forces, persistently adheres to flunky nation-selling maneuvers that harm his fellow countrymen, selling the national dignity and interest to them. Let us discuss this today.

[Chong] Okay. The puppet traitor Kim Yong-sam's flunky and nation-selling act as a colonial puppet is understood to come from his temper of currying favor with the U.S. imperialists. The puppet traitor Kim Yong-sam gives over \$3 billion to his U.S. masters annually to maintain the U.S. Forces Korea [USFK], aggressive outside forces, and to keep the USFK permanently stationed in South Korea instead of having the USFK withdraw. In 1995, he conducted the rash act of volunteering to increase South Korea's share of the so-called defense budget by 10 percent a year.

In a bid to reduce all of South Korea to a U.S. advanced base for nuclear war and a base for the military invasion by outside forces, the puppet traitor Kim Yong-sam continues to bring into South Korea new equipment for a war of aggression and weapons of mass destruction and conducts various war exercise commotions in collusion with outside forces. A criminal attempt to harm us by employing outside forces is hidden behind these acts.

[Yi] That is right. The Kim Yong-sam ring has left the South Korean economy in the hands of outside forces. The puppet Kim Yong-sam clique has committed the crime of opening up the entire South Korean rice market to the United States. It has also opened up the South Korean financial market, leaving it in the hands of outside monopolistic capitalists.

[Chong] It really has.

[Yi] South Korea's overseas debts were \$52 billion as of January 1994, but increased to over \$70 billion in June 1995, did they not?

[Chong] Yes, they did.

[Yi] The puppets, who do not have an ounce of national dignity and self-esteem, are shaken up by the U.S. trade pressure that refuses to negotiate. Their state is servile.

[Chong] That is right.

[Yi] Lawyers in charge of international trade affairs noted that South Korea easily yields under U.S. trade pressure, and that it is frightened merely by the U.S. threat to file a lawsuit with the World Trade Organization, and thus makes concession. This is no accident.

[Chong] Surely not. The puppet Kim Yong-sam's flunky and nation-selling acts as a colonial puppet are also shown in his attempt to strengthen the political, economic, and military collusion with Japanese reactionaries. Saying the country should not be held captive by the past in improving relations with Japan, the puppet traitor Kim Yong-sam has turned the Japanese imperialists' criminal past into nothing. He also committed the criminal act of turning down the South Korean people's demand for a revision of the humiliating South Korea-

Japan treaty signed in 1965, saying the treaty has served as a basis for South Korea-Japan relations for the past 30 years.

With regard to the absurd remarks by Japanese conservative politicians, which remind us of the ghost of militarism, the puppet traitor Kim Yong-sam supported the absurd remarks that deny the Japanese imperialists' invasion of Korea and their criminal history, and far from being angry with them, he has described this as a long-term issue and an issue for joint research.

During his recent visit to Japan, the puppet traitor Kim Yong-sam visited the vestige of a Japanese, his former school teacher during the Japanese rule of Korea, and paid respect to him while recollecting memories of his childhood. The puppet traitor Kim Yong-sam paid a courtesy call to the house of his former teacher, who had forced him to become a citizen of the Japanese empire, and urged joint research of the Japanese imperialists' cold-blooded past crimes. He is indeed a flunky nation-seller and a loathsome colonial puppet who would put the five traitors involved in the 1905 Ulsa Japan-Korea Protectorate Treaty to shame.

[Yi] That is true. The traitor Kim Yong-sam not only provided political and economic assistance for the reinvasion by Japanese reactionaries, but also agreed with Japan to conduct joint exercises between Japan's Self-Defense Forces and the South Korean puppet armed forces, and to exchange visits to each other's country.

Even now, when the DPRK and the U.S.-led Korean Peninsula Energy Development Organization [KEDO] signed an agreement to provide light-water reactors, the South Korean puppets mention the ridiculous sophistry that North Korea may not implement the agreement and may break its promise by resuming operation of its nuclear facilities, and are urging Western countries and Japan not to hurry the normalization of relations with North Korea. The rascals also asked them not to act behind South Korea's back, and are even showing the loathsome attitude of scheming to prevent such an act while begging to the outside forces.

[Chong] That is right. The puppet traitor Kim Yong-sam, embarrassed with the people's denunciation in connection with the secret fund scandal, is engaged in a deceptive maneuver to appease the South Korean people while desperately adhering to so-called globalization. All this is nothing but a mean trick to prolong his life under the protection of outside forces after tying the South Korean people with a bridle of colonial subordination by even more completely leaving all political, economic, cultural, and military affairs in the hands of outside forces.

The puppet Kim Yong-sam clique is trying to break the deadlock by relying upon outside forces and strengthening its flunky and nation-selling maneuver. However, this will only hasten its ruin.

[Yi] I believe so. Let us conclude today's discussion.

DPRK: ROK Defector Cho Won-ki Visits Kim Il-song Statue

SK0902051196 *Pyongyang KCNA in English*
0415 GMT 9 Feb 96

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA) — Cho Won-ki, who had defected to the northern half of Korea from South Korea, visited the statue of the great leader President Kim Il-song standing on Mansu Hill and expressed his respects.

He laid a bouquet of flowers before the statue and made a bow in humble reverence.

DPRK: WPK Secretary Kim Yong-sun Meets PRC Party Delegation

SK0902100496 *Pyongyang KCNA in English*
0957 GMT 9 Feb 96

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA) — Secretary of the Central Committee of the Workers' Party of Korea [WPK] Kim Yong-sun today met and had a friendly talk with the delegation of the International Liaison Department of the Central Committee of the Communist Party of China led by its deputy head Dai Bingguo at the Mansudae Assembly Hall.

After the death of President Kim Il-song, a close friend of the Chinese people, the Korean people are successfully building socialism, overcoming all hardships and difficulties under the wise leadership of the Workers' Party of Korea headed by Comrade Kim Chong-il, the head of the delegation said.

"We are glad to witness the Korean people united in one mind around Comrade Kim Chong-il," he said, and stressed that the friendly and cooperative relations between the two countries will continue to develop in strength in the future.

DPRK: Hwang Chang-yop Meets Russian Party Chairman Zyuganov

SK0902051496 *Pyongyang KCNA in English*
0434 GMT 9 Feb 96

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA) — Secretary Hwang Chang-yop of the Central Committee of the Workers' Party of Korea, who is heading the WPK delegation, [words indistinct] met

Gennadi Zyuganov, chairman of the C.C., the Communist Party of the Russian Federation.

The WPK delegation was staying in Moscow. The chairman wished the great leader Comrade Kim Chong-il greater success in his work for socialism and the Korean people's welfare.

DPRK: Cuban Embassy Officials Visit Kim Il-song Statue on 8 Feb

SK0902051896 *Pyongyang KCNA in English*
0419 GMT 9 Feb 96

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA) - Charge d'Affaires Ad Interim Pedro Moran Tapanes and officials of the Cuban Embassy here visited the statue of the great leader President Kim Il-song standing on Mansu Hill on February 8 and paid homage to him.

They laid bouquets of flowers before the statue and made respects to him.

DPRK: Kim Chong-il Sends Wreath to Funeral Bier of Yi Sung-ki

SK0902100396 *Pyongyang KCNA in English*
0954 GMT 9 Feb 96

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA) — The great leader Comrade Kim Chong-il today sent a wreath to the bier of Academician, Prof. and Dr. Yi Sung-ki, who was a deputy to the Supreme People's Assembly of the DPRK, labour hero and president of the Hamhung Branch of the National Academy of Sciences, expressing deep condolence on his death.

DPRK: Daily Carries Article on Kim Il-song, Kim Chaek Comradeship

SK0902084396 *Pyongyang KCNA in English*
0814 GMT 9 Feb 96

["NODONG SINMUN on Comradeship" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA) — NODONG SINMUN Thursday [8 February] devoted one whole page to an article titled "Comradeship" with a picture the great leader President Kim Il-song had taken with Vice-Premier Kim chaek on December 31, 1948.

The fatherly leader President Kim Il-song kept the picture in a safe for half a century until he passed away. The people usually think that a safe is necessary to keep money, gold, secret documents or valuables.

However, the picture and two letters sent to him by Kim Chaek and another anti-Japanese revolutionary veteran were all he kept in the safe for nearly half a century.

The legacy he left in the safe is ethical and moral treasure most valuable in the world.

Kim Chaek, who was most faithful to President Kim Il-song and was one of his close comrades-in-arms, died on January 31, 1951, when the fatherland liberation war was underway.

Their fellowship was forged in the period of the anti-Japanese revolutionary struggle. President Kim Il-song always respected Kim Chaek, who was older than him, while the latter deeply venerated and upheld him as the centre of leadership in the Korean revolution.

In the rigorous period of the anti-Japanese revolution Kim Chaek put his large unit under the command of President Kim Il-song, irrespective of his honor and high military post, and vowed to fight under his leadership as his soldier until the day when he would be buried in Mt. Paektu.

Keeping the pledge, he, after the liberation of the country, devoted himself to having President Kim Il-song at the top of the party, the state and the army and defending him, containing all shades of philistines.

The president always believed in Kim Chaek as in himself and entrusted important missions to him each time difficult problems were raised in the building of the party, state and Armed Forces, economic construction and other domains.

When Kim Chaek died, the president did all he could with sincerity and a strong sense of obligation.

Afraid that the anti-party counterrevolutionary spies might do mischief to his corpse, the president had his body kept in a cave without the knowledge of others. When the victory in the war was definite, he had his body buried in a grave.

Human love and comradely obligation were natural gifts and lifelong motto of the president.

He had cemeteries of revolutionary and patriotic martyrs built for his departed comrades-in-arms and the Mangyongdae Revolutionary School built for their children. He found out and met all those related to his revolutionary activities at home and abroad and finished everything before he passed away. His noble obligation and great comradeship will always be kept in the memory of posterity.

The great leader Comrade Kim Chong-il talked about the safe again on December 29, 1995, saying the fatherly

leader was a true human being and communist and he reached the summit of human beings.

As President Kim Il-song loved Kim Chaek so much in his lifetime, General Kim Chong-il has placed him in the van of the revolutionary forerunners and deeply respected him, the authors of the article say, adding:

The immortality of the great Comrade Kim Il-song is a fortune of the nation and the eternal future of humankind.

Respected Comrade Kim Chong-il is the great creator of fresh ethics and morality, who is accomplishing the immortal cause of the preceding leader on the highest level.

DPRK: Anniversary of Kim Il-song's Guidance at Kaechon Marked

SK0902092596 Pyongyang Korean Central

Broadcasting Network in Korean 2200 GMT 5 Feb 96

[FBIS Translated Taext] An on-the-spot report meeting was held yesterday [5 February] to mark the 40th anniversary of the great leader Comrade Kim Il-song's on-the-spot guidance to Kaechon City. The meeting was attended by Comrade So Yun-sok, member of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK], responsible secretary of the South Pyongan Provincial Party, and chairman of the South Pyongan Provincial People's Committee; and responsible functionaries from local party and government organs, local administrative and economic organs, and public organizations; and working people in Kaechon City.

Comrade So Yun-sok gave a report at the meeting.

The reporter referred to the fact that the great leader Comrade Kim Il-song visited Kaechon County in February 1956 and conducted an on-the-spot guidance to various units in the county, where he elucidated the direction and methods that the country should proceed forward.

The reporter also noted that the great leader gave on-the-spot guidance to Kaechon City's work on many occasions even after his February 1956 on-the-spot guidance, that he thus bestowed great love and consideration upon the people, and that the great leader [yongdoja] Comrade Kim Chong-il wisely led party members and the working people in the city so as to thoroughly implement the fatherly leader's [suryong] on-the-spot teachings.

Stating that an epochal change has been effected in Kaechon City in all fields — political, economic, education, cultural, and public health — thanks to the wise leadership and benevolent love of the party and the leader

[suryong] the reporter noted that party organizations' combat capabilities have been extraordinarily strengthened, a fundamental change has been effected in party work, and party members and the working people are seething with the revolutionary ethos of thinking and acting in conformity with the demands of the chuche idea.

The reporter stressed that the decisive guarantee for brilliantly inheriting and consummating the cause of socialism of our own style lies precisely in upholding the great leader [yongdoja] Comrade Kim Chong-il's leadership with loyalty and stated that party members and the working people should vigorously struggle to consummate the chuche revolutionary cause by upholding the red flag of the revolution and firmly uniting as one mind around the respected and beloved general.

DPRK: Yi Chong-ok To Lead Funeral Committee for Yi Sung-ki

*SK0902052096 Pyongyang KCNA in English
0427 GMT 9 Feb 96*

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA) — Academician, Prof. and Dr. Yi Sung-ki, who was a deputy to the Supreme People's Assembly of the Democratic People's Republic of Korea, labour hero and president of the Hamhung branch of the National Academy of Sciences, passed away on February 8, 1996 at the age of 91 after a long illness.

An obituary on his death was released on Thursday in the name of the Workers' Party of Korea [WPK] Central Committee, the DPRK Central People's Committee and the DPRK Administration Council.

Yi Sung-ki was a fine intellectual of the WPK, who was intensely loyal to the motherland and the people, the party and the revolution and was a world-famous scientist highly respected by the people.

He made the first eye-catching success by inventing vinalon in 1939, but he was unable to materialize his dream for science under the colonial rule of the Japanese imperialists.

He came to the northern half of Korea at the time of the fatherland liberation war. During the wartime and post-war period, he exerted himself in scientific research under the great trust and benevolent care of the great leader President Kim Il-song, who spared nothing for the development of the nation's science and technology.

Thereby, he completed the vinalon technology and greatly contributed to building the chuche-oriented vinalon industry and consolidating the technical foundation of the self-reliant chemical industry.

At responsible posts of scientific research for a long time in building socialism, he brought up able scientists and technicians and solved important scientific and technological matters arising in developing the nation's economy and improving the people's living standard, and thus made big contributions to developing the nation's science and technology and hastening the economic construction.

His funeral will be held at state expense and a 30-member state funeral committee was formed, including Yi Chong-ok, Kim Pyong-sik and Han Song-yong.

The funeral will be held on February 10.

DPRK: Chang Chol Speaks at Ten-Day Film Event Opening

*SK0902051596 Pyongyang KCNA in English
0436 GMT 9 Feb 96*

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA) — A ten-day film show opened on Feb. 8 to celebrate the great leader Comrade Kim Chong-il's birthday.

In the period of the film show, the cinema units across the country will exhibit "Old Home on Mt. Paektu Brilliant With Honour," "Cradle of Worthy Life" and "Lodestar Above Mt. Paektu" and other Korean documentary films on the immortal leadership exploits and noble traits of Comrade Kim Chong-il.

The Korean feature films "People Enshrined in Our Hearts," "Love the Soldiers," "Sons of a Guardsman" and serials of "The Nation and Destiny" (multi-part film) will also be shown.

Vice-premier of the Administration Council Chang Chol, who is also minister of culture and art, made an address at the opening ceremony held at the People's Palace of Culture on Thursday.

DPRK: Kim Ki-nam Speaks at Photo Exhibition Opening Ceremony

*SK0902045696 Pyongyang KCNA in English
0439 GMT 9 Feb 96*

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA) — A national photo exhibition for celebrating February 16, the birthday of the great leader Comrade Kim Chong-il, opened at the People's Palace of Culture in Pyongyang on February 8.

On display there were more than 110 photos showing his immortal revolutionary exploits and great traits including "The great leader of our party and our people Comrade Kim Chong-il cutting the red cloth to declare Kumsusan Memorial Palace open," "General

Kim Chong-il, supreme commander of the Korean People's Army [KPA] posing for a photograph with soldiers of a coast artillerywomen's company" and "General Kim Chong-il, supreme commander of the Korean People's Army, inspecting a KPA navy unit."

Kim Ki-nam, secretary of the Central Committee of the Workers' Party of Korea, made an opening address.

DPRK: Paektusan Prize Sports Contest Opens 8 February

SK0902051396 *Pyongyang KCNA in English*
0418 GMT 9 Feb 96

[FBIS Transcribed Text] Pyongyang, February 9 (KCNA) — The paektusan prize sports contest was opened on February 8 in Pyongyang on the occasion of the birthday of the great leader Comrade Kim Chong-il.

The contest has been held to mark the greatest national holiday every year.

Pak Myong-chol, chairman of the State Physical Culture and Sports Commission, said in an opening address that all the athletes should play games on the basis of ideological campaign, fighting spirit, speed and sporting skills so as to demonstrate the justness and might of the chuche-oriented sports idea of Comrade Kim Chong-il and perfect their political and ideological, physical and technical preparations.

The contest will include over 20 events such as table tennis, basketball, volleyball, track and field, boxing, wrestling, shooting, badminton and swimming.

South Korea

ROK: U.S. Ambassador Laney Views Aid to DPRK, KEDO, Bilateral Trade

SK0902032096 *Seoul YONHAP in English*
0302 GMT 9 Feb 96

[Report by D. Peter Kim: "Laney Concerned Over Reports That Imply U.S. Is Exploiting S.Korea"]

[FBIS Transcribed Text] Seoul, Feb. 9 (YONHAP) — The strong relationship between South Korea and the United States could be undermined and harmed by misleading press reports here implying that America is exploiting South Korea, U.S. Ambassador to Seoul James Laney warned Friday.

If an outsider visitor to South Korea evaluated Korean-American relations from what he or she heard from subways, taxis, and media reports here, Laney believed, the person would conclude that "such a relationship only offers negatives for Korea."

"We need to be careful never to take this relationship for granted because dangers lurk in taking anything for granted," the ambassador maintained.

He was speaking in a breakfast lecture on the theme of "Korean- American Relations in the 21st Century" at the Hyatt Regency Hotel in downtown Seoul.

Pointing out that U.S. aid to North Korea was given through international agencies, not through official government channels, Laney categorically dismissed the notion in Seoul that Washington and Pyongyang have had secret contacts with each other. He also denied that Washington is trying to induce Seoul into giving more aid to North Korea.

Washington did not rush to establish liaison offices with Pyongyang, he added, nor is it planning to lift its economic sanctions against the Stalinist state.

Laney also said that the United States is not trying to "weasel out" of its commitment for the Korean Peninsula Energy Development Organization (KEDO) project to supply North Korea with two light- water reactors. Contrary to public opinion in South Korea, he said, Washington is also not trying to place most of the financial burden for the project on South Korea and Japan.

He noted that Washington has contributed more than 23 million U.S. dollars for the KEDO project thus far, which is substantially more than the 1.8 million dollars that Seoul has pitched in.

Laney also expressed his hope that the Korean people would treat American soldiers here not as "foreign interlopers," but as guests providing for the defense of the nation. He added that he offers his "genuine sympathy and regret" for victims of crimes perpetrated by certain American soldiers here, saying that he supports full prosecution of such persons.

On recent trade frictions between the two nations, Laney said that Washington is merely requesting for the same market access that Korean businesses have enjoyed in the United States over the years.

Admitting that the process to obtain a U.S. entry visa here is vexing, he assured that his embassy is working on making the visa process "user-friendly," and expressed his hope to soon see Korea gaining visa-free status.

ROK: U.S. View of ROK 'Missile Sovereignty' Decried

SK0902053396 Seoul CHOSON ILBO in Korean
8 Feb 96 p 5

[Article by military commentator Chi Man-won: "Missile Sovereignty"]

[FBIS Translated Text] Missiles are the flowers of the scientific armed forces. However, the ROK has yielded its missile sovereignty [misail chugwon] to the United States by signing a simple memorandum of understanding. As a result, the ROK military was able to develop only toy missiles whose ranges are 1,000 km or less. The National Defense Ministry's efforts to abolish the comedy [preceding word transliterated from Korean; komidi] memorandum are appreciated, though late. What the Missile Technology Control Regime [MTCR] controls is missile exports, not missile development. The ROK has expressed its position that if the ROK joins the MTCR, it should receive the same treatment as other MTCR member nations, which is only proper.

In this regard, the United States still refuses to recognize the ROK's missile sovereignty. The United States demands that the ROK develops missiles with a range of 1,000 km or less and with a warhead of 500 kg or less, and that the ROK guarantees the transparency of its missile development program. Thus, while the United States has fancy missiles, it wants the ROK to remain humble, with an infantry-oriented military, so that it can exert a direct influence on the ROK economy by using the ROK's defense as a sort of security deposit. How long do we have to continue to follow the United States' calculated intent? How long do we have to tolerate the United States' undisguised act of depriving the ROK of its sovereignty? Today's United States is not what it was during the cold war. Recognizing how the United States has changed provides a clue to solving the problem.

First, the power of the United States has weakened. A baby born in the United States in 1995 will pay 150 million won [\$187,000] in taxes throughout its life. The number of U.S. Army divisions has been reduced from 15 to 10, and the number of Air Force squadrons has been reduced from 28 to 20. How can the United States, whose economic and military situation is so difficult, permanently serve as a security umbrella for the ROK? Is not the United States now trying to rely upon the Japanese military in its Asia-Pacific strategy?

Second, the ROK-U.S. defense commitment is fading. When the ROK was pushed by the North down to Pusan during the Cold War, the United States could not help but intervene against the North, even making a huge

sacrifice. However, now North Korea-U.S. relations will develop rapidly regardless of our position.

Third, the United States and North Korea are in the same boat. What is the U.S. policy toward North Korea? It is not preventing North Korea from becoming a "nuclear state," but preventing it from becoming a "nuclear power." Accordingly, the United States divided North Korea's nuclear activities into its past nuclear activities and its future nuclear program. North Korea's past nuclear activities are an issue that concerns the ROK; its future nuclear program is an issue that concerns the United States.

Firmly believing the United States would reveal North Korea's past nuclear activities, we promised to share the costs incurred by the United States. However, our assumption was incorrect. The United States has concealed North Korea's past nuclear activities. If the United States declared that North Korea promoted nuclear weapons development in the past, it would proliferate nuclear weapons development throughout the world. This would be a nightmare for the United States. Accordingly, it is natural that the United States wants North Korea to hide the fact that it possesses nuclear weapons. An intelligent North Korea could read the U.S. mind and form an illicit connection [yahap] with the United States.

If North Korea exposes the fact that the United States and North Korea are on the same boat, the United States would be denounced by the world. That is, North Korea is seizing the United States by the throat. North Korea is dragging the United States along by grasping its throat while South Korea must receive U.S. approval in every case. Why is that? If we want to develop missiles, we could unilaterally notify the United States that we have nullified the "comedy [preceding word transliterated from Korean; komidi] memorandum" and start developing missiles.

Fourth, the United States does not want "peace without tensions" on the Korean Peninsula, but instead wants a "truce with tensions" because of its own interests. Maintaining the U.S. Forces Korea [USFK] in the United States would cost a great deal. However, the United States maintains the USFK almost free of charge.

We must look straight at the great changes. What did the United States do when North Korea threatened South Korea by mentioning "speculation on turning Seoul into a sea of fire?" It brought Patriot missiles, which it had wanted to sell to the ROK, into South Korea, and sold its anti-artillery radar to us while William Perry was personally involved in the arrangements. It is impossible for these weapons to cope with gun shells randomly fired at Seoul at the rate of 10,000 shells a minute. Our

military must be changed from an infantry-oriented to a missile-oriented military in order to cope with the "sea of fire" threat, to stop being a U.S. military colony, and to have military strength well-matched with neighboring countries in the future. The United States was the only source of missile technology during the Cold War, but it is not now. The best way would be to carry out a joint project with Russia. The United States would express regrets to the ROK, but would not to Russia because it would not work with Russia. The United States has no right or ruse for putting the brakes on this choice. It is unreasonable pressure for the ROK, with empty hands, to rely on the United States while all neighboring countries including North Korea have missiles.

The United States should maintain large military forces in Asia to protect its own interests in this region, which are increasing. Only the ROK and Japan provide the United States with large military bases. The U.S. Forces in Japan are weakening. If the United States also fails to win the hearts of the ROK people, it will lose its foothold in Asia. If it gives up this great interest because of the trifling missile issue, the United States must be the most foolish country in the world. Thus, let us unilaterally proceed with missile development.

ROK: U.S.' Changing Policy in Northeast Asia Security Viewed

SK0902012296 (Internet) The Digital Chosun Ilbo
WWW in English 0742 GMT 8 Feb 96

[Editorial: "Domestic Politics Obscure Foreign Outlook"]

[FBIS Transcribed Text] Government officials entrusted to safeguard our national security emphasize the importance of Korea-US-Japan relations and are wont to paint a rosy picture in this regard. However, the reverse is the case, especially in connection with Korea-US relations.

There is a report that President Clinton has canceled his plans to visit Korea on his way to Japan in April. There was a report that President Kim [Yong-sam] would not meet with Anthony Lake, head security adviser at the White House. A further report tells us that the US is pressuring us not to develop missiles with ranges in excess of 300 km. One can sense that the situation between Korea and the US is not all peaches and cream.

We cannot accept Clinton's decision not to visit Korea and we cannot take at face value the claim by Lake that Korea should take the initiative in relation to peninsula problems. Clinton's given reason for being unable to visit Korea, namely that his schedule is too tight in the lead-up to the US election, in light of the fact that he has time to visit Russia and Japan is a clear indication that he regards Korea as a country of little importance; either

that or a visit to Korea, unlike his visit to Russia, will be of no assistance to him on polling day. Furthermore, it should be remembered that Lake made no actual public comment in respect of the peninsula during his visit scenario rather the report emerged locally; it is hence reasonable to infer that the US may hold a rather different view of the matter.

Now that the Cold War has passed, we must start responding appropriately to the US's changing foreign policy, particularly in regard to Northeast Asia security, and study the US from a new angle. If we do not look past our own political wars and fail to keep an eye on the outside world, we run a great risk of simply repeating mistakes of the past.

ROK Ready To Arrest DPRK Defector on Escape Charges

SK0902063296 Seoul YONHAP in English
0622 GMT 9 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 9 (YONHAP) — Law-enforcing authorities are poised to arrest Kim Hyong-tok, 22, a North Korean defector who allegedly slipped aboard a Chinese freighter last Saturday in an aborted attempt to smuggle himself back to the North.

"Investigations have revealed Kim's attempt to return to the North via China to see his father Kim Chong-chol in Kaechon, South Pyongan Province," an intelligence official said Friday.

The Agency for National Security Planning and the prosecution are preparing to seek an arrest warrant for Kim on charges of attempted escape, smuggling, and violation of the foreign exchange control law, according to the official.

Kim reportedly hid himself in a Chinese freighter that left the port of Inchon last Saturday afternoon. He was discovered by the crew Sunday afternoon while anchored in the port of Ulsan on its way to China. He was turned over to authorities who found that he was carrying 14,700 U.S. dollars with him.

Kim was a soldier assigned to the South Pyongan provincial shock troops, when he defected to the South in September 1994.

ROK: Government To Provide Vocational Training to DPRK Defectors

SK0902094996 Seoul YONHAP in English
0859 GMT 9 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 9 (YONHAP) — The administration and the ruling party plan to work out and implement a vocational training program for North

Korean defectors in an effort to help them adapt to the capitalist society in the South.

The move has been prompted by an incident over the weekend in which a North Korean defector unsuccessfully attempted to smuggle himself back to the hardline Stalinist country via China, by stowing away onto a Chinese freighter.

A policymaker of the New Korea Party said Friday, "North Korean defectors, who have survived on small government allowances have encountered hurdles to adapting themselves to the heterogeneous society here. We plan to formulate programs aimed at helping them adopt the norms and practices of our society naturally."

A plan being studied by the administration and the majority party calls for formulating rehabilitation programs for defectors from the communist North by coordinating with the office of five North Korean Provinces, religious and social organizations and major business corporations.

The plan also calls for transferring North Korean defector affairs from the Health and Welfare Ministry to the National Unification Ministry, and administering them on a pan-government basis with the Ministries of Finance and Economy and Home Affairs and the newly created Small Business Administration participating, according to the source.

Upon completion of the proposed vocational training program, defectors would receive job placement assistance, and their job performance would be monitored continuously, the official added.

ROK: Papers Review Problems in ROK Policy on DPRK Defectors

SK0902094496

[FBIS Report] The following is a compilation of editorials published in ROK vernacular dailies on problems in the government's policy toward North Korean defectors in connection with the recent attempt by some defectors to escape from the ROK.

The moderate HANGUK ILBO on 8 February carries on page 3 an 800-word editorial titled "Are There Any Problems With the Measures Toward North Korean Defectors?" The editorial notes changes in the government's policy on North Korean defectors since the collapse of the communist system in the Soviet Union and East Europe in the mid 1980's. In particular, the editorial states that the government "is not able to treat the ever-increasing North Korean defectors like heroes, or to care for each of them as it did in the past in a bid to egg on the people's anti-communist sentiments and anti-North Korea propaganda." The editorial stresses

that "systematic arrangements are needed" to help them adapt to ROK society. It continues by stressing that at the same time, it is also necessary to help them become "psychologically stable" by developing friendships with ROK people whose home towns are in North Korea.

The moderate CHUNGANG ILBO on 8 February carries on page 6 a 600-word editorial titled "It Is Time To Improve Policy Toward Defectors." The editorial notes the ROK's law on protecting defected compatriots was legislated during the Cold War without anticipating today's situation, and points out the problems the government faces in securing its budget of 45 million won [\$56,000] for each defector in accordance with the law. The editorial stresses the need to amend the law, recommending the government focus on "training defectors for a considerable period of time so they can adapt to ROK society and learn new technologies, instead of providing them with material compensation." The editorial concludes by urging the people to treat North Korean defectors even more warmly.

The moderate TONG-A ILBO on 9 February carries on page 3 an 800-word editorial titled "A North Korean Defector's Attempt To Escape." The editorial begins by describing the recent attempt by a North Korean defector to flee from the ROK as a "shocking incident," and raises questions about the reasons and motives of the attempt. After explaining the difficulties North Korean defectors experience, especially in finding jobs here in the ROK, the editorial urges the government to "improve the vocational education of defectors, which is now mostly conducted for form's sake, and to actively help them find jobs." Talking about lessons learned from the incident, the editorial warns that "no one guarantees there will not be camouflaged defectors who come to the South with insidious purposes," stressing that "the government should thoroughly classify defectors and refugees on a security level, and should treat and manage each group in the appropriate manner." The editorial also stresses the need to establish "an office in charge of the comprehensive management of North Korean defectors, whose numbers are rapidly increasing."

The left-leaning HANGYORE SINMUN on 9 February carries on page 3 a 700-word editorial titled "When a North Korean Compatriot Comes to the ROK." The editorial says the recent attempted escape by North Korean defectors "has offered an opportunity for us to reexamine our attitude about receiving defectors." The editorial notes: "The ROK and North Korea have so far tried to receive defectors as many as possible from each other, as if the number of defectors were a yardstick to place one's system above the other's." It also notes that while worrying about the increasing

number of North Korean defectors, "the government seems to be encouraged by this because it believes this proves the decisive victory of its system in the competition with North Korea." The editorial stresses "it is not desirable to sensationally receive each defector as if he or she performed a heroic deed," and urges a warm reception for them "simply as our compatriots." The editorial criticizes the government for "advertising the irresponsible allegations of North Korean defectors, regardless of their former positions, background, and the motives of their defection, in a bid to use them for immediate political purposes." In particular, the editorial points to the rumors started by "the remarks by the son-in-law of North Korean Premier Kang Song-san who said the existence of nuclear weapons in North Korea showed Pyongyang's intention to reverse the North Korea-U.S. nuclear agreement which was about to be concluded." The editorial concludes by urging the Agency for National Security Planning to be aware that "the people's distrust in the government is a major obstacle to solving inter-Korean problems."

ROK: Kim Chong-il Reportedly Scolds Economic Zone Officials

SK0902080196 Seoul CHOSON ILBO in Korean
8 Feb 96 p 16

[Article by reporter Kim In-ku]

[FBIS Translated Text] It was learned on 7 February that North Korean high-level cadres have directly tried to attract investment from foreign businesses to the Najin-Sonbong economic zone.

According to a local businessman well-informed about the situation in North Korea, four to five high-level cadres, including Kim Kyong-hui, director of the Economic Policy Inspection Department of the North Korean Workers' Party and Kim Chong-il's real sister, and Kim Pok-sin, vice premier and chairman of the Light Industry Committee, each met a Korean-Chinese businessman visiting North Korea in January and directly discussed with him the issue of attracting investment to the Najin-Sonbong area.

Kim Kyong-hui and Kim Pok-sin reportedly delegated to this Korean-Chinese businessman a considerable portion of the authority to attract investment in the hope of securing more active investment in the Najin-Sonbong area from ROK and other foreign businesses.

Kim Kyong-hui was director of the party's Light Industry Department for a long time from 1983 to 1992, and assumed the post of director of the Economic Policy Inspection Department when there was a reshuffle of party posts last year.

Kim Pok-sin was the alternate member of the Party Political Bureau from 1983 to 1992 and is an economic expert who has been vice premier and chairman of the Light Industry Committee for over 10 years.

It seems that the high-level North Korean cadres directly tried to attract foreign investment to the Najin-Sonbong area, because the performance of the cadres of the External Economic Promotion Committee in attracting investment to the zone has not been satisfactory. (The rank of Kim Chong-u, chairman of the External Economic Promotion Committee, is equivalent to that of a vice minister.)

In this connection, Pang Chan-yong, chairman of the Yusco Kazakhstan [as transliterated], a company specializing in investment in the Najin-Sonbong area, said: I understand that on several occasions Kim Chong-il scolded those involved in the project — from the senior to the working level — for the lack of progress in the Najin-Sonbong development project.

ROK: Security Agency Reports 'Unusual Trends' in DPRK Military Movements

SK0902120196 Seoul YONHAP in English
1155 GMT 9 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 9 (YONHAP) — The North Korean military has showed some "unusual trends" in the past few years, expanding field military exercises sharply, the Agency for National Security Planning (NSP) reported Friday.

The report said the ground and naval forces of the People's Army staged 1.3 times more training exercises in the past two years than the 1991-93 period. The Air Force's training sorties were 1.5 times as many, it said.

Since the turn of the year, in particular, corps-level offensive exercises were held in areas whose terrain conditions are similar to those of the south's frontline.

"The training was held under an invasion scenario, which featured firing practices by long-range gun batteries in the forward area," it said.

There also were large-scale joint naval and air maneuvers in both the eastern and western seas, the scale of which was largest since 1985, it said.

Last December, the North Korean forces launched a '96 winter field exercise, the agency said, observing that the training, set to last through April, would go on with unprecedented ferocity as it is the first field exercise since top People's Army brasses were reshuffled last October.

Besides, it said, 12 brigades totaling 54,000 quasi-troops of the General Border Security Bureau have recently

been placed under the direct control of the People's Armed Forces Ministry.

In other moves, North Korea continues to maintain more than 100,000 special warfare troops with the ability to infiltrate some 20,000 troops into the rear area of the South at the same time by air and sea, the report said.

The 100,000 special troops are assigned to the Light Infantry Guidance Bureau of the People's Army General Staff as well as to a number of corps in the forward area, the agency said.

As their infiltration means, there are AN-2 planes, helicopters and submersible and rubber craft, which are capable of sneaking upward 20,000 personnel into the rear area of the South at the same time.

Moreover, through 20 or so secret underground tunnels they had dug across the Demilitarized Zone, North Korea attempts to neutralize South Korean fortifications in the frontline area with a single stroke in the initial phase of a war.

All these hectic moves of war preparation have been substantiated through testimonies by those North Korean logger-defectors who once in the past served as special warfare troops, the agency said.

An NSP analysis indicates that in addition to the drastic bolstering of their conventional war ability, North Korea has been concentrating on the development of strategic weapons.

It was under this overall program that North Korea had promoted the development of nuclear arms under the personal control of Kim Chong-il beginning the early 1980s, it said.

The agency observed that though the North has frozen its nuclear activities under the U.S.-North Korea framework agreement of October 1994, North Korea may reactivate their graphite-moderated reactors and reprocess the 50 tons of spent fuel depending on changes in situation.

The agency's concern is that there is the possibility of North Korea carrying on their secret development of nuclear arms with the 7 to 22kg of plutonium North Korea is known to have already secured.

The North also has the ability to produce about 5,000 tons of chemical ingredients for use in chemical weapons with the stockpile of chemical weapons totaling some 1,000 tons held at storages in six areas including Pyongyang and Sariwon.

"Given these unusual trends and the catastrophic economic difficulty in the North, there always dwell on the

Korean peninsula factors that may give rise to an emergency at any time," the NSP report said.

ROK: Security Planning Agency Views DPRK's DMZ Redeployments

SK0902110296 Seoul CHUNGANG ILBO in Korean 9 Feb 96 p 2

[By reporter Kang Yong-chin]

[FBIS Translated Text] On 8 February, the Agency for National Security Planning [NSP] pointed out the possibility that the North may commit regional provocations along the DMZ [demilitarized zone] or in the West Sea [Yellow Sea] in the event of an intensified economic crisis which results in uprisings and riots or if it encounters difficulties in settling the nuclear issue and improving foreign relations.

The NSP said that North Korea recently dispatched to its forward bases some 140 long-range artillery guns including 240mm multiple rocket launchers that have an effective range of 65km and 170mm self-propelled guns that have an effective range of 54km. It also revealed that if the artillery dispatched along the area of Kaesong alone were fired in a concentrated manner for one hour, it would inflict enormous damage to an area equal to about 30-40 percent of the area of Seoul.

In treatises such as "Prospects of North Korea's Recent Threatening Maneuvers," and "Reality of Current North Korean Military," the NSP points out that due to the economic crisis, the North's inability to receive military assistance from China and Russia in the event of an emergency, and the widening gap in national strength between the South and North, a sense of defeat is spreading among the North Korean people and soldiers. This sense of defeat increases the likelihood of North Korea provoking the South. These materials also emphasized that if a crisis occurs in the North, there is a possibility that the North Korean leadership may provoke a regional war in order to turn the people's attention elsewhere and bring about a turning point in the situation. The NSP also revealed that while emphasizing the role of defending the military's system, North Korea is strengthening war preparations such as concentrating strength for a surprise attack and increasing military exercises even though they are suffering from an economic crisis.

As to the North Korean military's peculiar moves, the NSP noted that they are expanding their military exercises; increasing their military strength for a surprise attack; conducting a full-scale redeployment of aircraft between the front and rear units; reinforcing the war command system; strengthening war preparations in the rear; and carrying out intensified winter exercises.

Adding that North Korea dispatched 111 planes such as IL-28 bombers and MiG-17 fighters to advanced bases in Taetan, South Hwanghae Province; Nuchon-ri, Pongchon county, North Hwanghae Province; and Kuup-ri, Tongchon county, Kangwon Province, which are some 40km from the armistice line. The NSP warned that the time it takes for a plane to reach the armistice line has been reduced from four minutes to three minutes, and that the travel time to Seoul has been reduced from eight minutes to six minutes.

The NSP also revealed that it dispatched a scud missile brigade (27 scud missiles) to Togol, Singye county, North Hwanghae Province which is about 50km north of the armistice line, so it could launch an attack on the capital region, as well as major strategic targets in the rear.

ROK: DPRK Said Collecting \$300 Million for Kim Chong-il's Birthday

SK0902013496 Seoul KBS-1 Radio Network
in Korean 0000 GMT 9 Feb 96

[YONHAP, Beijing]

[FBIS Translated Text] A Western source in Beijing said that with Kim Chong-il's birthday approaching on 16 February, North Korean missions overseas that are stationed in pro-North Korean countries, such as Russia and Bangladesh, are concentrating on preparing for the birthday celebrations.

Citing remarks by a North Korean trade official stationed in Beijing, the source said North Korea has budgeted approximately \$300 million for expenses for the internal and external events to celebrate Kim Chong-il's birthday and is collecting \$100,000 to \$1 million from each of some 190 North Korean diplomatic and trade missions overseas in the name of a loyalty fund for the birthday.

The \$300 million budgeted for the celebrations of Kim Chong-il's birthday is enough money to buy rice to feed North Korean residents for two months, the source added.

ROK: DPRK Food Shortages Due to Lack of Agrochemicals, Petroleum

SK0902000096 Seoul CHOSON ILBO in Korean
7 Feb 96 p 15

[Article by Kim Yon-kwang]

[FBIS Translated Text] "The reason is the lack of agricultural chemicals and petroleum."

So states Dr. Kim Un-kun of the Korea Rural Economics Institute in his report "The Status of Production and

Consumption of Farming Equipment in North Korea" published on 6 February.

The shortage of agrochemicals is serious. The ROK's annual production capacity for agricultural chemicals is 30,000 tonnes (in the form of ingredients), while North Korea's is approximately 11,000 tonnes. The difference is even greater in the actual production (net weight). In 1988 the ROK produced 680,000 tonnes of agricultural chemicals of 300 kinds, while North Korea produced only 30,000 tonnes. Although North Korea did not disclose its chemical production in recent years, the production is estimated to be the same.

At North-South high-level talks held in 1991, Yon Hyong-muk, former North Korea premier, asked the ROK to provide agricultural chemicals for "water elephant (water rice weevil)." This showed how urgently North Korea was in need of agricultural chemicals. During the North-South talks held in Beijing last year, North Korea also reportedly asked for chemicals and polyethylene for agricultural use.

Dr. Kim points out: "North Korea is not even mentioning fertilizer. In order to promote North-South economic cooperation in the agriculture field, it is most desirable for the South to provide the North with agricultural chemicals at the right time." Kim added: "Considering the production facilities for agricultural chemicals, and the characteristics of the blight damage in North Korea, it is not economical to build agricultural chemical plants in North Korea."

In 1958, North Korea produced the "Chollima No. 28" tractor in the Kiyang Tractor Plant based on the design of the Soviet Union T-28A tractors. In the 1970's, a large quantity of seed sowers, crop dusters, rice transplanters, reapers, and combine harvesters were distributed to cooperative farms.

Well-known farming machine plants are Hamhung Yongyol Farming Machine Plant, Kanggye Tractor Plant, the 25 September Tractor Plant, and Chung-songho Tractor Plants. As of 1994, South Korea had 89,000 tractors, while North Korea had 140,000 (15 hp). Due to small-scale farming units, South Korean farmers use more cultivators and smaller farming machines.

Farming machines in North Korea are, however, mostly not in use due to the shortage of petroleum. Dr. Kim explains that the overall economic stagnation, and the shortage of foreign currency and energy due to the collapse of most socialist countries has brought North Korea's farming back to "the oxcart era." Dr. Kim assesses: "When the shortage of agricultural chemicals and energy is solved, North Korea's grain production

will be greatly improved," but added: "Without an overall reform, North Korean farmers will not be able to obtain agricultural chemicals and energy."

It appears that North Korea does not have a shortage of fertilizers. North Korea's production capacity for fertilizer (as of 1994) is similar to that of South Korea. North Korea's annual production capacity is 4.28 million tonnes, while South Korea's is 4.6 million tonnes. Considering that South Korea has 2.33 million hectares of cultivated land, and North Korea 2 million hectares, the quantity of fertilizer is not insufficient.

From 1982 to 1987, North Korea used 343 kg of fertilizer per hectare, and South Korea used 363 kg. From 1992 to 1994, when North Korea had continuous negative growth rates, North Korea consumed 1.43 million tonnes of fertilizer, maintaining 70 percent of South Korea's consumption (2.4 million tonnes).

North Korea has sufficient urea-phosphate fertilizer, but not enough potassic fertilizer. North Korean farmers consume less than half of the potassic fertilizer consumed in the South. Potassic fertilizer is imported, and the lack of foreign currency worsens the situation. Dr. Kim states: "Potassium is the element that blossoms and ripens crops. Rice and corn in North Korea bear more empty heads of grain because of the shortage of potassic fertilizer."

ROK: Visits by DPRK's Hwang Chang-yop to Russia, U.S. Previewed

*SK0802233996 Seoul CHOSON ILBO in Korean
8 Feb 96 p 16*

[By reporter Kim In-ku]

[FBIS Translated Text] It was learned on 7 February that Hwang Chang-yop, secretary of the North Korean Workers Party [WPK] in charge of international affairs, who is currently visiting Russia, is planning to visit the United States in March.

On this day a source well-versed in North Korean affairs said: "Hwang Chang-yop is planning to visit the United States sometime in March upon the invitation of a U.S. institute. Officially, the purpose of Mr. Hwang's current visit to Russia is to take part in a conference on the *chuche* idea, but it is known that in reality the purpose of his visit to Russia is to obtain information from the Russian side that may be of use during his U.S. visit. We do not know which U.S. institute invited Mr. Hwang and whether the U.S. Government is involved in his U.S. visit."

Hwang Chang-yop went to Russia on 1 February to take part in an "International Seminar on the *Chuche* Idea for Independence, Peace and Friendship," which

had opened in Moscow on the forthcoming birthday of Kim Chong-il. He is expected to return to Pyongyang on 9 February.

From late last year Hwang Chang-yop has been busy carrying out diplomatic activities toward Western countries. From late November to early December of last year, he led the party delegation and the delegation of the diplomatic committee of the Supreme People's Assembly in which he is chairman, and visited France and Great Britain.

He visited France for five days from 20 November. On 21 November he held consecutive contacts with cadres of "the Contact and Research Group on DPRK-French Economic and Cultural Affairs," "the European Business League," and "the Committee To Promote Relations With Europe and the DPRK." On 22 November, he also held a meeting with Geurlos Hads [name as transliterated], member of the National Committee of the French Communist Party and vice house speaker. During his visit to Great Britain from 24 November, he consecutively met with the highest cadres of the British Communist Party on 25 November and 1 December, and on 29 November he met with the delegation of the Diplomatic Committee of the House of Commons led by its Chairman David Howell [name as transliterated].

During contacts with officials of political parties and parliamentarians in France and Great Britain, Hwang Chang-yop conveyed Kim Chong-il's "greetings" every time and concentrated on confirming to the Western world — which is looking suspiciously upon the fact that the top position has been vacant for such a long time — that Kim Chong-il is in reality North Korea's supreme leader. It was learned that discussions were also held on ways for exchange and cooperation in the economic and cultural sectors.

It seems that the reason Hwang Chang-yop is moving about so busily is that the party's International Affairs Department, which has been concentrating on diplomacy through unofficial channels, has now emerged to the forefront. Also, since the defection of employees of the North Korean Embassy in Zambia, it seems that the WPK's "party control" over the Foreign Ministry and foreign diplomats will be all the more strengthened.

ROK: DPRK Reports 1994 Total Population Near 22 Million

*SK0802143196 Seoul CHOSON ILBO in Korean
8 Feb 96 p 16*

[Report by Kim In-ku]

[FBIS Translated Text] North Korea has officially announced its total population for the first time since 1989.

Hwang Si-chon, director of the International Affairs Department of the "DPRK Christians Federation," issued a report on "North Korea's flood damage" during "the solidarity meeting for peace in Northeast Asia" held in Macao on 1 February. In this report, he revealed the North Korean population totalled 21,514,000 as of 1994.

North Korea has not officially announced its population statistics since 1964. However, in 1989 North Korea submitted to the "UN Population Fund" various material on its 1986-87 population statistics. According to that material, the total North Korean population stood at 19,346,000 as of the end of 1987. North Korea occasionally revealed its population in the "DPRK Annual," which is published annually by the Korea Central News Agency. For example, the annual published in 1993 indicated the population was 20,960,000 as of 1991. Prior to this, the 1990 edition recorded the population as 19,060,000 without indicating the year of survey.

Concerning the accuracy of the population statistics made public by North Korea, many experts raise doubts. Nicholas Everstar [name as transliterated], a member of the Korea Chapter of Britain's Royal Asiatic Society, pointed out that the population statistics submitted by North Korea in 1989 "might have excluded prisoners and soldiers." This being the case, relevant officials of the National Unification Board [NUB] explained that the numbers made public by North Korea and the numbers estimated by the NUB and our Office of Statistics show remarkable differences.

In addition, the population as of 1991, as indicated by the 1993 edition of North Korea's central annual, and the population as of 1994 recently revealed by Hwang Si-chon arouse suspicion about the statistical materials announced by North Korea. According to the North Korean material, the population increase during the three-year period 1991 to 1994 was only 550,000, a population increase of only 1 percent annually. In view of North Korea's active encouragement since the 1960's of women to bear children, with a view to resolving the labor shortage, such a rate of increase is very doubtful.

ROK: Ministry Official Dismisses Japan's Protest as 'Absurd'

SK0902070996 Seoul YONHAP in English
0657 GMT 9 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 9 (YONHAP) — Japan formally requested Thursday that the South Korean Government cancel its plan to build a berth on the easternmost island of Tokdo, claiming that the islet is a Japanese territory, a Foreign Ministry official said Friday.

The Japanese Foreign Ministry lodged the verbal protest with the South Korean Foreign Ministry through a telephone call late Thursday, the official said.

Dismissing the protest as absurd, the official reiterated the Foreign Ministry's position, as expressed in a spokesman's statement late Thursday, that Tokdo belongs to South Korea both historically and in terms of international law.

"The planned building of a berth in Tokdo will be due exercise of our country's sovereignty over the islet," he said.

ROK: Further on ROK's Tokdo Construction Plan

SK0802130096 Seoul YONHAP in English
1253 GMT 8 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 8 (YONHAP) — The pier being built at Tokdo far off the east coast is to ensure safe supply of goods to the isolated isle, the Foreign Ministry said Thursday.

The comment by a ministry spokesman came after press reports from Tokyo indicated that Japanese Prime Minister Ryutaro Hashimoto expressed concern about the pier construction.

"Tokdo is integral part of our territory either historically or under international law," the spokesman said. "Therefore, this sort of work on the isle is a proper act of the exercise of our jurisdiction."

ROK To 'Firmly Deal' With Tokdo Issue

SK0902085196 Seoul YONHAP in English
0839 GMT 9 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 9 (YONHAP) — South Korea will firmly deal with the Japanese claim that the island of Tokdo belongs to Japan, Foreign Ministry Spokesman So Tae-won said Friday.

So failed, however, to elaborate on what kind of measures the Foreign Ministry would take against Japan on the Tokdo issue.

In a statement, the spokesman said that Tokdo, located off South Korea's eastern coast, cannot be the subject of territorial dispute.

The spokesman also expressed deep regret over remarks by Japanese Foreign Minister Yukihiko Ikeda earlier in the day that Tokdo belongs to Japan and that South Korea will have to cancel its plans to construct a wharf on the islet.

"Tokdo is part of our territory in terms of both history and international law, and is currently controlled by the South Korean government," the statement said. Such a

claim by Japan will not affect Seoul's plan to proceed with the construction of the wharf, it added.

"Therefore, we have maintained that we cannot accept Japan's position and we will deal sternly with the Tokdo issue in accordance with our position," So said.

According to So, a senior diplomat at the Japanese Embassy in Seoul contacted the Foreign Ministry late Thursday to confirm local media reports that said South Korea is planning to build a wharf in Tokdo.

In a telephone call, the embassy also demanded that South Korea terminate the project, according to another Foreign Ministry official.

In a response to the protest, the Foreign Ministry explained South Korea's position to the Japanese and expressed deep regret over Japan making an issue out of the rights to Tokdo, he said.

So said that South Korea is exercising its due sovereign rights on the island by building the wharf.

A Japanese parliamentary delegation, scheduled to arrive in Seoul Sunday [11 February] for talks on bilateral issues, is likely raise the Tokdo issue, So said, adding that such an attempt will be dealt with sternly by South Korea.

ROK: Envoy to PRC Views Fishing Disputes, Pastor An Sung-un

*SK0902021896 Seoul THE KOREA TIMES in English
9 Feb 96 p 2*

[FBIS Transcribed Text] Korea's new Ambassador to Beijing, Chong Chong-uk, called for an early settlement of disputes involving Chinese vessels' illegal fishing in Korean waters.

However, the 55-year-old ambassador said he is more optimistic on establishing a new fishing order in waters between Korea and China than those between Korea and Japan.

He noted that illegal fishing by Chinese vessels increased every year, and over 7,000 Chinese boats engaged in illegal fishing last year alone.

"The settlement of the row is necessary to prevent illegal fishing in Korean waters and alleviate possible security threats posed by unidentified boats approaching Korea," the ambassador said.

The ambassador pointed out that, despite China's emergence as an economic powerhouse, he didn't believe that Korea-China relations would replace those between Korea and the United States.

"I don't agree with the notion that China will replace the United States as Seoul's key ally, although it has great

potential," said the former senior presidential secretary for foreign affairs and national security.

His view is in contrast with that of former Korean ambassador to Beijing Hwang Byong-tae, who predicted the rise of China as the world's greatest political and economic power.

Chong stressed the necessity of strengthening bilateral relations on the basis of close economic cooperation during the past several years.

"However, I cannot always be optimistic on the speedy improvements of bilateral relations in all walks of life as China is not an easy partner in every sense," he said.

As former Ambassador Hwang did well in various fields of bilateral relations, he feels it burdensome to keep implementing his ideas.

Chong said that he will maintain close contacts with Korean companies active in China and spare time to hear their complaints.

The ambassador observed that China would undergo a series of changes during his term, including Hong Kong's turnover to China and the closure of the Deng Xiaoping era, which might create a vacuum of strong leadership.

With regards to the South Korean pastor, An Sung-un, who was allegedly abducted from China to Pyongyang by North Korean agents last year, the ambassador said that such an incident could be repeated as North Korea might cause a similar incident after one diplomat and two other staffers at the North Korean Embassy in Zambia defected to Seoul recently.

"Foreign Minister Kong No-myong also stressed that Seoul's overseas missions should strengthen their efforts to protect Korean residents," he said.

The issue might also cause friction with China, which is concerned over an increasing number of South Korean missionary activities in its territories, he said.

Chong said he can roughly understand Chinese as he had studied Chinese for a year and paid keen attention to Chinese affairs in the university.

ROK, PRC To Resume Talks on Bilateral Fisheries Agreement

*SK0402072396 Seoul YONHAP in English
0630 GMT 4 Feb 96*

[FBIS Transcribed Text] Phuket, Thailand, Feb. 3 (YONHAP) — South Korea and China have agreed to resume fisheries talks for the purpose of concluding a bilateral fisheries agreement.

The accord was reached between South Korean Foreign Minister Kong No-myong and his Chinese counterpart Qian Qichen in their meeting held Saturday (3 February) on the sideline of the two-day conference of foreign ministers from ten Asian countries here, preparing for the first Asia-Europe Meeting (ASEM), scheduled for March 1-2 in Bangkok.

Kong told the South Korean press corps that Qian consented to his proposal that the fisheries talks be resumed.

Officials from South Korea and China discussed the fisheries agreement issue in Beijing last year, but failed to reach agreement on Chinese fishing boats' illegal fishing operations within seas declared by South Korea as sea resources protection area.

Chinese fishing vessels intruding into and catching fish within South Korea's sea resources protection area, which extends 50 to 100 sea miles from the 12-mile territorial waters, are estimated to number over 4,000 a year.

Anticipating that the fisheries talks will be resumed in the near future, a Foreign Ministry official opined that a conclusion of a fisheries agreement with China would drastically reduce fisheries disputes between the two countries and help protect sea resources in the area under question greatly.

Meanwhile, Qian invited Kong to visit China, and Kong was said to have responded that he would do so at a time convenient to both sides.

ROK: China Discourages Investments by Small ROK Companies

SK0402044796 Seoul THE KOREA HERALD
in English 4 Feb 96 p 8

[FBIS Transcribed Text] Korea's small businesses, which are being shoved out of the domestic market by giant conglomerates, also suffer from discrimination abroad by their host countries.

A case in point is the Chinese government, which has recently discouraged direct investments by small Ko-

rean companies while favoring only large investments projects, Seoul officials said yesterday.

Beijing is restricting the approval of new investments in the manufacturing of recorders, tires, refrigerators and copy machines as well as marginal industries to be taken up by small businesses, virtually blocking small Korean firms' advances in China through these areas, they said.

China's central government, or State Council, has recently conveyed such a position to provincial governments through a temporary guideline on foreign direct investments, the officials said.

The Chinese measures are based on their judgment that some items supplied by Korean small investors have already exceeded local demand and that the small businesses are not contributing much to China's industry in terms of up-to-date technology and job creation, they said, adding that such trends will even accelerate in years to come.

This attitude change will inevitably force Korea's small businesses to limit their investments in areas with extremely unfavorable business environments, while dashing their hopes for various policy incentives accompanying the investments, they said.

From now on, it will be very difficult for the small marginal firms to relocate their manufacturing bases to China, an official said.

In stark contrast to cold response to small investors, Beijing is quite eager to attract huge investments to build social infrastructure as well as in basic industries, high-tech areas and energy and transportation sectors.

The Chinese are even offering tax breaks to draw large investors who can sharply enhance their added values, the officials said.

As if to reflect the changing Chinese preference, Korean firms' average investment amount in China sharply rose to \$2.45 million per project last year, from the \$1.77 million the previous year, they said.

Burma

Burma: Foreign Minister Rules Out Khun Sa's Extradition to U.S.

BK0902082996 Hong Kong AFP in English
0818 GMT 9 Feb 96

[FBIS Transcribed Text] RANGOON, Feb 9 (AFP) — The surrender of Khun Sa and his Mong Tai Army (MTA) will significantly reduce opium production in Shan state, a military spokesman said Friday, as Foreign Minister Ohn Gyaw flatly ruled out the drug lord's extradition to the US.

"I cannot say right now that the drugs flowing out of Shan state will stop completely, but I can assure you that almost all of that coming out of areas Khun Sa controlled will drop down very significantly," Lieutenant Colonel Kyaw Thein said.

Speaking at a public burning here of illegal drugs, the military intelligence officer said many of the formerly armed ethnic groups living in that area and the Kachins in northern Burma have also pledged to make their regions "opium free zones."

"So the production of opium from this country is going to drop down in the future," Kyaw Thein said.

However, Western and Thai drug experts said after Khun Sa surrendered in early January that his "retirement" would have little effect on the drug trade. They noted that Shan state, which is part the "golden triangle" with northern Thailand and western Laos, has been a major source of opium for centuries.

Kyaw Thein did not specify how much opium currently is produced in Burma each year, but said it was less than half what is generally estimated.

The colonel also rejected allegations that Khun Sa had struck a deal with the ruling junta, saying his surrender was totally unconditional.

Khun Sa for many years led the Shan ethnic minority's battle for autonomy in the eastern border state, financing its armed rebellion against Rangoon with drug money.

He could be charged under Burmese laws, but "after all, we have treated other criminals leniently," Kyaw Thein told AFP.

During a recent speech to the Medical Association here, Lieutenant General Khin Nyunt also welcomed Khun Sa's surrender and referred to him and the MTA as "our own blood brethren."

"We will look after them well on humanitarian grounds and for the sake of national spirit," said the junta member and powerful military intelligence chief, adding

that they were no different than others who had laid down their arms.

Hundreds of other armed rebels who surrendered over the years had but to publicly "repent" to win government forgiveness, analysts here noted.

Meanwhile, Ohn Gyaw said at the drug burning ceremony that Khun Sa would not be sent to the US to stand trial on drug charges, despite Washington's request that he be extradited and its placing of a two-million-dollar bounty on his head.

"Let me categorically state that no question of extradition exists," Ohn Gyaw said, adding that Burma has no extradition treaty with any country.

Kyaw Thein said the government would decide what to do with Khun Sa after the rest of his MTA fighters surrender.

According to official figures, 12,690 MTA guerrillas had surrendered to government troops in a series of ceremonies as of January 31, and had turned in 7,510 weapons. Several thousand more are expected to surrender soon.

Burma: Editorial Hails Strengthening of Ties With Cambodia

BK0702142796 Rangoon THE NEW LIGHT OF MYANMAR in English 30 Jan 96 p 6

[Editorial: "Bonds Further Strengthened"]

[FBIS Transcribed Text] The First Prime Minister of the Kingdom of Cambodia His Royal Highness Samdech Krom Preah Norodom Ranariddh and Her Royal Highness Princess Norodom Marie Ranariddh successfully concluded their official visit here at the invitation of State Law and Order Restoration Council Chairman and Prime Minister Senior General Than Shwe yesterday.

First Prime Minister was able to acquaint himself with the policies, objectives and endeavours in political, economic and social fields in order to bring about a new peaceful, modern and developed State, as also the achievements attained in establishing political stability and national reconsolidation; in the work of National Convention for the emergence of a new constitution. He was also apprised of economic development, preservation and uplifting of national cultural heritage and morality of the people, for which he warmly congratulated the Myanmar [Burma] Government and conveyed his best wishes for continued success.

The Myanmar side reaffirmed its policy of friendship with all countries in the world, particularly with the

neighbouring countries based on the Five Principles of Peaceful Coexistence. It stated that the fundamental changes in the world in recent years have provided increased prospects and opportunities for greater regional and international cooperation, particularly among the nations of Southeast Asia. The Myanmar side reiterated its belief that cooperation among regional countries benefited not only the countries concerned but also contributed towards regional peace, stability and prosperity. It reaffirmed its commitment for closer cooperation with the nations of Southeast Asia, particularly with ASEAN.

Cambodia warmly welcomed the acceptance of Myanmar as Observer of ASEAN at the next 29th ASEAN Ministerial Meeting and viewed this new development as benefiting peace, stability and prosperity in the region.

The Cambodian side informed the Myanmar side of the overall development in the Kingdom of Cambodia since the formation of the Royal Government in 1993 characterized by political stability, the strengthening of the state of law and steady economic growth. The Kingdom of Cambodia pursues a foreign policy of neutrality, friendship and active multiform cooperation with all countries in the world based on mutual benefits and respect for each other's independence, sovereignty and territorial integrity. Cambodia identifies her future with the region of Southeast Asia and ASEAN. The Myanmar side expressed its happiness to learn of the positive developments taking place in Cambodia and expressed its best wishes for the continued success of the Royal Government and people of Cambodia in their endeavours for peace and national reconstruction.

The two sides were able to review the progress in bilateral relations and expressed their common desire to further consolidate and expand the traditional ties of friendship, and cooperation between the two countries. As a concrete step, the two sides agreed to exchange ambassadors at an early date and signed the Agreement on the Establishment of a Joint Commission for Bilateral Cooperation between the Government of the Union of Myanmar and the Royal Government of Cambodia to further strengthen and expand bilateral ties, particularly in economic, trade, social, cultural and other fields of mutual interest.

The successful visit has significantly contributed to the promotion of goodwill, friendship and cooperation between the two nations. It has also strengthened the already firm bilateral ties.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Commentary Views Importance of Trade Ties With China

BK0702075296 *Kuala Lumpur Voice of Malaysia*
in English 0810 GMT 6 Feb 96

[Station commentary: "Kerk's Trip a Boost to Malaysia-China ties"]

[FBIS Transcribed Text] There is no denying that China is seriously engaged in its quest towards modernization to ensure its population enjoy greater prosperity. Besides this, its focus on economic growth invariably has brought in a new era of peace and stability. The country is no doubt on the right track towards modernization and industrialization.

Malaysia is glad to be part of China's move toward economic reconstruction. Deputy Minister of International Trade and Industry Kerk Choo Ting's recent visit to China will further open up greater opportunities for mutual trade and investments. His visit was all the more significant for it included trips to Hangzhou and Nanning, considered the new fast growing cities. His visit also comes at the time when more and more Malaysian companies are being encouraged to move offshore to secure new markets and investment opportunities.

In terms of Malaysian investment to China — a total of U.S.\$672 million was invested between 1991 and 1994 from only U.S.\$16 million in 1990. These investments are mostly in property development, services, manufacturing, retailing, and infrastructure. Since 1994, China was Malaysia's 10th largest trading partner with direct trade seen between the two countries rising by 46 percent in 1994 over 1993. This perhaps underscored Malaysia's increasing interest in China and vice versa. Both countries realized that more work has to be done to enhance the economic linkages. Kerk's visit therefore was largely focused on identifying potential sectors Malaysian investors could partake.

To this end, talks were held between the Malaysian delegation and the Ministry of Trade and Economic Cooperation in Beijing. It is heartening to note that discussions in Beijing were constructive, since there was a useful exchange of ideas and issues that could further boost ties.

An area where Malaysian firms could invest further in China was the commercialization of basic research work by Chinese scientists. There would be great potential for such consumer product. In this field, China needs

capital management expertise and knowledge to market such products.

The city of Hangzhou provides numerous opportunities in tourism-related activities, where Nanning has potential for infrastructure-oriented projects, such as roads, power plants, housing, and office buildings.

Since recently, the shift in the Chinese central government's policy to develop interior regions is bound to bring a new wave of investments and trade opportunities. Lest being left out, Malaysian investors should be aggressive now than ever to kick investments in China to greater heights.

They should not be complacent with what they have achieved so far. Malaysia fully realizes that China is tipped to a major economic power house in the world. It is hoped that both countries will continue to enhance relations on a mutually beneficial basis.

Malaysia: Shipyard To Build High-Tech Warships, Naval Craft

*BK0602143996 Kuala Lumpur THE STAR in English
6 Feb 96*

[Received via Internet]

[FBIS Transcribed Text] LABUAN — Sabah Shipyard Sdn Bhd [private limited] (Saship), a wholly-owned subsidiary of Westmont Bhd, is to venture into high-technology warship construction. The company, which expects to register a profit of [Malaysian ringgit] RM145 million for the 1996/97 fiscal year, was also confident of securing contracts worth over US\$500 million (about RM1.25 billion) for the current year, said Saship managing director Datuk Joseph Chong. "Saship's foray into the construction of warship and naval craft is in keeping with the government's industrialisation policy and a natural consequence of the company's rapid growth over the last five years," he told reporters after accompanying Energy, Telecommunications and Post Minister Datuk Leo Moggie during a visit to the shipyard facilities at Ranca-Ranca here yesterday. Moggie is on a three-day visit here. Chong said Saship would submit tenders and hoped to obtain a fair share of the defence ministry's contracts for the construction of offshore patrol boats. He said Saship was expected to achieve a pre-tax profit of RM100 million for the 1995/96 fiscal year and would continue to be involved in its core businesses of offshore fabrication work, shipbuilding and repairs, and construction of power barges. On Sunday, Saship signed an agreement with the Sabah Electricity Board to build and deliver a RM145 million 105-megawatt power barge. The gas turbine-mounted barge, to be commissioned in three phases before March 1997, would be connected by a power circuit line to Sepangar

Bay, near Kota Kinabalu, and it would transmit power supply to the state capital, Keningau Papar, Tenom and Labuan.

After delivering its first power barge to the Philippines in 1994, Saship has secured orders to build similar barges for Pakistan and is negotiating with Ghana's finance ministry on a 288 MW power barge. Chong said Saship was operating at full capacity with ongoing work on a 16,000-deadweight-tonne cement carrier for Kedah Cement Bhd, five production modules for Esso Production Malaysia Bhd and a power barge for Pakistan and shiprepairing. He said Saship was acquiring a 24.3ha [hectare] site in Sepangar Bay for the construction of a 100,000-tonne dry dock at the cost of RM150 million solely to build liquefied natural gas carriers. It had also signed an agreement with US engineering multinational Westinghouse Corp to assemble turbines here. "The venture will have 65 per cent local content and we have been given the franchise for Model 251 turbines for distribution in Asia," he added.

Malaysia: Group of Illegal Vietnamese Immigrants Repatriated

*BK0602140396 Kuala Lumpur RTM Television
Network 1 in Malay 1200 GMT 6 Feb 96*

[FBIS Translated Text] A total of 204 illegal Vietnamese immigrants were repatriated today under the orderly departure program of the UN High Commission for Refugees. This brings the total number of Vietnamese refugees repatriated under the program to 5,062.

Tight security was visible at the Sungei Besi Transit Camp before they were transported to Kuala Lumpur's Subang Airport. Those involved in the recent riots at the camp were among the group repatriated today. The riots occurred when they resisted their planned repatriation to Vietnam. Police had to fire warning shots during the incident, killing one of the rioters. Police also seized several weapons.

The Malaysian Government has set a deadline of 30 June for all illegal Vietnamese immigrants to take part in the voluntary repatriation program or face forced repatriation. There are still 4,430 illegal Vietnamese immigrants in Malaysia.

Singapore

Singapore: Daily Notes U.S. Heading for 'Isolation'
BK0902081896 Singapore BUSINESS TIMES
in English 9 Jan 96

[Editorial: "US Heading for Isolation" — received via Internet]

[FBIS Transcribed Text] There was a time when it was thought that when Americans elect their President, they also choose the leader of the non-communist world.

Indeed, at the height of the Cold War, the presidential race in the United States would be the stuff of headline news in Tokyo and Paris.

After all, the consensus outside the Soviet bloc was that whoever ended up occupying the White House would have an enormous political and economic impact going beyond the geographical borders of the United States. When Washington sneezed, the world paid attention.

It was also not so long ago that international issues used to play a central role in US presidential campaigns. American voters were aware that by electing a President, they were also picking the man who may have a control over their country's nuclear arsenal and could decide the fate of the world.

The presidential candidate's views on war and peace and his ability to confront global challenges would determine, in the eyes of most Americans, whether he would be fit to occupy the Oval Office. Now that the Cold War is over and Americans are beginning to withdraw into isolation, slogans like "It's the economy, stupid!" and the character of the Clintons seem to be the focus of interest for most American voters.

When the Republican presidential candidates met recently for a televised debate in New Hampshire, the site of the first primary, foreign policy issues occupied no more than four minutes in the two-hour long discussion. Forget the Sino-American relationship or the trade disputes with Japan. Opinion polls suggest that the majority of Americans place foreign policy at the bottom of their agenda. At the top of their concerns are the expanding budget deficit and their unsafe neighbourhoods.

The result is that with the exception of Senator Richard Lugar, none of the presidential candidates is talking about foreign policy or providing a vision of America's place in the world. Not surprisingly, newspapers in Tokyo now relegate the US presidential campaign to their inside pages or focus on the titillating sex and political scandals that have become a central component of the race to the White House.

But there is a growing concern among America's trade and defence partners that the inward-looking nature of

the election campaign reflects an increasingly isolationist American public. The rising popularity of the protectionist views Republican presidential candidate and "America Firster" Pat Buchanan is having seems to be forcing Republican front-runner Senator Robert Dole and President Bill Clinton to adopt more hawkish trade positions.

It is natural that with the end of the superpower rivalry and the breathtaking impact of globalisation and technological changes on the US economy, Americans would be asking their leaders to guide them into the promised land of economic restructuring. And as the United States is confronting the consequences of a decaying welfare states, American voters have the right to ask their next president to present his ideas for a social renaissance of the nation.

But one sign of leadership is the ability of any politician to transcend the currents of public opinion. It must be hoped that notwithstanding the "Come Home America" nature of the campaign, the Republican presidential candidates and Mr. Clinton will begin articulating a sense of the way they would want to see the only remaining superpower manage its foreign policy for the rest of this century. Without such a clear message, the citizens of the global village are bound to conclude that America is on the way to withdrawing unto itself.

Singapore: Malaysian Defense Minister Warns of Regional Arms Race

BK0602140996 Kuala Lumpur RTM Television
Network 1 in Malay 1200 GMT 6 Feb 96

[FBIS Translated Text] Malaysia is making efforts to ensure that other countries in the region take part in cooperation to obtain defense technology. Defense Minister Datuk Syed Hamid Albar has said that regional cooperation in defense industry will provide long-term benefits. He was speaking to Malaysian reporters at the 1996 Asia Aerospace exhibition in Singapore today. The five-day exhibition was opened by Singapore Defense Minister Dr. Tony Tan. Defense industry is a high-technology and capital intensive industry. Cooperation in defense industry is common among European and North American countries. Defense industry cooperation in this region could have a wide scope in research and development.

[Hong Kong AFP in English at 1309 GMT on 6 February in a similar report adds: "Malaysia warned Tuesday of a potential arms race in Asia and called for a regional code to distinguish between defensive and provocative military capabilities. 'A time has come for countries in the region to agree to some understanding on what constitutes excessive, threatening or provocative conven-

tional military capabilities,' Malaysia's defence minister, Syed Hamid Albar, told an Asian defence conference here. He said states which had already acquired considerable military capabilities should be more sensitive to their neighbours' perceptions and concerns. The minister did not name any country. 'There are reasons to believe that if the current military build up continues to escalate unabated, the possibility of an arms race emerging as a potential threat to regional stability may arise,' Syed Hamid said. He said that an understanding on objectively distinguishing between defensive and provocative military concerns could be addressed through the dialogue processes already in place within the region."

[AFP continues: "'This would further enhance (a) confidence- building atmosphere rather than it being turned into a confidence-destroying environment,' Syed Hamid said. He added that in 1993 alone, the Asia-Pacific countries spent no less than 470 billion US dollars on arms and 'of concern is that it continues to show an upward trend.' 'This is close to the entire GDP (gross domestic product) of all the seven ASEAN countries in terms of purchasing power parity,' he noted."]

Singapore: Minister Identifies Three Potential Sources of Instability

BK0702125196 Singapore THE STRAITS TIMES in English 7 Feb 96 p 4

[Report by Audrey Quek and Edward Tang]

[FBIS Transcribed Excerpt] Singapore believes that regional stability and security can best be enhanced through cooperative arrangements comprising bilateral ties interwoven with multilateral arrangements, Deputy Prime Minister and Defence Minister Dr Tony Tan has said.

In his speech at the opening of the Third Asia-Pacific Defence Conference yesterday, he also drew attention to three potential sources of instability in the region — the North Korean nuclear programme, the dispute over the Spratly Islands and tension in the Taiwan Strait.

The last, he said, was possibly the most worrisome as any conflict in Taiwan would alter the strategic balance and affect adversely other countries in the region.

"We hope that cool heads will prevail and ways will be found to defuse the tension before the situation gets out of hand," he said.

In his address entitled Cooperative Security: The Way to Preserve Regional Security and Stability, Dr Tan said that Singapore as a small country was naturally concerned about any development that might affect regional peace.

"If the region is unstable or if countries in the region are at odds with one another, investments will shun the whole region, including Singapore," he said.

To pre-empt conflicts, an architecture of ties based on the building blocks of good bilateral relations had to be erected.

Elaborating on his definition of "cooperative security" he said bilateral relationships would include those between countries in the region as well as those outside it, such as the United States and Australia, which had a major interest in the region and could make significant contributions to peace and stability.

At the same time, multilateral arrangements such as ASEAN, the Asia-Pacific Economic Cooperation forum, the ASEAN Regional Forum (ARF) and the Five-Power Defence Arrangements (FPDA) could help to develop confidence and trust, which in turn created a more predictable and constructive pattern of ties.

Dr Tan said the regional landscape was undergoing fundamental changes.

One major factor was China's growing strength that flowed from its economic clout. Another was Japan's efforts at carving for itself a bigger political role.

"Much will depend on whether China can be smoothly integrated into the international, political and economic order and how the triangular relationship among China, the United States and Japan develops," Dr Tan said.

He urged the United States, whose military presence has underpinned regional peace and prosperity, to continue to play a stabilising role.

"The stabilising influence of the United States is especially important at this time when new relationships are evolving," he said.

Dr Tan said that to facilitate the U.S. military presence, Singapore had allowed U.S. forces the use of its facilities. The republic also welcomed the interactions that U.S. forces have with other countries in the region as they contributed to the security of the region.

Similarly, the recently concluded Australia-Indonesia Security Arrangement was to be seen as another building block to the framework of cooperative security.

Such a framework, however, must also include China so that it would have a stake in ensuring peace in the region.

"Cooperative security is the way ahead," said Dr Tan.

"Only then can the Asia-Pacific region develop to its full potential and our people enjoy higher standards of living in a stable and secure environment." [passage omitted]

**Singapore: EU Urged To Take 'Pragmatic' Stance
at Asia-Europe Meet**

*BK0602030396 Singapore BUSINESS TIMES
in English 6 Feb 96*

[Editorial: "Stick to the Phuket Agenda" — received via Internet]

[FBIS Transcribed Text] It would be tragic, indeed, if irrelevant and peripheral issues were allowed to distract attention from the convergence of basic interests that underlies plans for the first-ever summit between 10 ASEAN and East Asian countries, and the 15 European Union members. Yet, a historic opportunity might well be squandered if EU leaders are misguided enough to stray from the "indicative list of broad topics" drawn up by Thailand and presented to the other Asian foreign ministers at last week's preparatory meeting in Phuket. The list includes reform of the United Nations, proliferation of nuclear, biological and chemical weapons, a comprehensive nuclear test ban treaty, as well as security in the two regions. Rightly, Indonesian Foreign Minister Ali Alatas warned: "I can think of 10 irrelevant issues that can seriously embarrass the European side but we're not thinking of raising them, but neither should they raise certain issues that are not relevant."

What would make the danger all the more regrettable is that it is not necessarily the governments of EU countries that are so lacking in realism as to risk aborting the meeting planned for March 1 and 2. The prompt welcome that they accorded to Prime Minister Goh Chok Tong's proposal for an Asia-Europe summit (ASEM) demonstrated both that they had got over earlier misplaced fears of Asian competition, and that they appreciated the need, as a recent EU position paper put it, to "make a strong pledge for multilateralism and open regionalism".

Obviously, Europe is anxious for a bigger share in Asia's booming prosperity. It expects the partnership to bolster the World Trade Organisation as an effective arbiter of global trade rules, and so to forge common positions on extending those rules to new areas such as telecommunications. Finally, the Europeans see a commonality of interests in opposing the American stand in trade disputes over cars and financial services, and especially Washington's continual threats to impose unilateral trade sanctions.

Unfortunately, special interest lobbies and non-governmental organisations in some European countries seem prepared to sacrifice national, and even collective, well-being to their narrow but obsessive concerns. Hence, some Scandinavian groups are reportedly

pressuring their governments to take up human rights issues, especially Western allegations of infanticide in Chinese orphanages. The EU's Madrid summit last December succumbed to lobbying on the question of East Timor. Some European groups would like their leaders to discuss labour rights and the environment. Worthy as these causes may be, there is a time and a place where they might arguably be raised without running the risk of too much damage. The ASEM forum is neither.

If the Bangkok summit is to mark the beginning of "an equal partnership in a global economy", the European participants must take care to ensure that their conduct does not place Asian members on the defensive. To do so would only hurt the EU's own present and long-term interests in this part of the world. It bears recalling in this context that the EU's largest trading partner is no longer the United States which enjoys a 17.4 per cent share, but Asia as a whole whose share stands at 23.1 per cent. But because this is a relatively new trend, Asia accounted for only 1 per cent of the EU's direct foreign investment in 1994. An appropriate increase would be of benefit to both sides. With Asia's need for roads, power plants and other infrastructure estimated at an annual US\$150 billion (S [Singapore] \$212.7 billion), the region represents an opportunity that can boost Europe's growth, if only the Europeans are pragmatic enough to stick to the Phuket agenda.

**Singapore: Business Council Offers Steps To
Enhance Ties With Britain**

*BK0502115796 Singapore Radio Corporation of
Singapore in English 1000 GMT 5 Feb 96*

[FBIS Transcribed Text] The Singapore-British Business Council has come up with new initiatives to enhance bilateral ties and generate new business opportunities between Singapore and the UK. Among the new initiatives is the setting up of sectoral working groups. These groups, which will help bring about joint venture projects, will start by looking at opportunities for the aerospace electronics and software sections. A joint venture trip to the UK will also be organized for local and British small-and medium-sized businesses in the third quarter of this year.

At the council lunch today, Trade and Industry Minister Yeo Cheow Tong said he had wished British companies to think as Asian firms would.

The UK is Singapore's fourth largest investor and bilateral trade last year amounted to \$8.3 billion [Singapore dollars].

Singapore: Country To Develop Into Asia-Pacific Aerospace Hub

BK0802121596 Singapore THE STRAITS TIMES in English 7 Feb 96 p 1

[Report by Rav Dhaliwal]

[FBIS Transcribed Excerpt] Singapore is developing new capabilities towards becoming the leading one-stop aerospace hub in the Asia Pacific for comprehensive high value-added aircraft repair and overhaul work.

Deputy Prime Minister and Minister for Defence, Dr Tony Tan, said this yesterday when he opened Asian Aerospace '96.

Singapore also wants to develop the manufacturing sector of its aerospace industry. The sector now accounts for about 10 per cent of industry output.

The Republic is ready to take part in sharing the risk in international aircraft and engine programmes, he said.

And to enable Singapore to be a value-adding partner in tie-ups with major aerospace multinationals, more emphasis is being placed on research and development.

As this requires heavy capital investment, Dr Tan suggested greater collaboration and resource-sharing among aerospace companies here.

He noted that an Aerospace Technology Programme would be launched today by Mr Goh Chee Wee, Minister of State (Trade and Industry).

The programme, funded by the National Science and Technology Board, promotes the raising of technological capabilities and sharpening competitiveness, he said.

Providing the backdrop for the moves, he said the industry was well-gearred for growth, supported by the fast-expanding aerospace markets in the Asia-Pacific region.

He noted that the region would be the fastest growth area for air transport in the coming years, accounting for more than 51 per cent of the world's passenger traffic by 2010, compared with the present 35 per cent. [passage omitted]

Indonesia

Indonesia: Alatas, U.S. Special Envoy Discuss Nuclear Test Ban Treaty

BK0902051396 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 9 Feb 96

[FBIS Translated Text] Members of the Nonaligned Movement, including Indonesia, have long supported the endorsement of a comprehensive nuclear test ban

treaty. Thomas Graham, special envoy of the U.S. President, said this during a news conference in Jakarta yesterday.

Meanwhile, Indonesia welcomes negotiations that will lead to the endorsement of a comprehensive nuclear test ban treaty this year. Foreign Minister Ali Alatas expressed the stance during talks with Thomas Graham in Jakarta.

Thomas Graham said the United States wanted to accede to the protocol to the Southeast Asian Nuclear Weapon-Free Zone Treaty, which was signed on 15 December last year.

Indonesia: East Timorese To Remain at Embassy Until Elections

BK0902082396 Hong Kong AFP in English 0344 GMT 9 Feb 96

[FBIS Transcribed Text] JAKARTA, Feb 9 (AFP) — Nine East Timorese youth holed up in the Australian embassy here seeking political asylum will stay put until the Australian elections, a source close to the group told AFP Friday.

"They will stay inside the embassy until the Australian elections," the source here said, adding that the group wanted to strain relations between Indonesia and Australia.

The Australian people go to the polls on March 2.

The nine have been identified as Ermenegildo Lopes, Cejar Diaz Quintas, Florencio Amaral, Paula Fonseka, Delta Guterres, Aires Aparicio Guterres, Faustino, Amorin Dieria and Fidel.

The nine were also part of a group that scaled the fence of the Russian embassy last December, protesting Indonesia's invasion of East Timor on December 1975.

The source claimed the group would set themselves afire if they did not win asylum in Australia.

Australian embassy officials declined to comment on the threat.

"They are still here and discussions are continuing," embassy spokeswoman Joanne Eyre said Friday.

Since last September, 66 East Timorese youths have left for Portugal after seeking political asylum at eight foreign missions here.

Indonesia annexed the former Portuguese colony of East Timor in 1976, but the United Nations still regards Lisbon as the administrative power there.

Indonesia: Spokesman Expresses Concern to Canadian Ministries

BK0802122996 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 8 Feb 96

[FBIS Translated Text] Indonesia has expressed its concern to the Canadian Ministries of Foreign Affairs and International Trade for their endorsement of allegations made against Indonesian Ambassador to Canada Benyamin Parwoto. Ghaffar Fadyi, spokesman of the Indonesian Foreign Affairs Department, disclosed the statement of concern to reporters in Jakarta yesterday.

The Canadian press recently carried reports that Ambassador Benyamin Parwoto had intimidated Mrs. Teresa Galhos, mother of Isabela Galhos, an East Timor girl who took part in the Indonesia-Canada student exchange program but did not return home and has now settled in Canada. The Foreign Affairs Department statement also expressed regret over misleading reports on Ambassador Parwoto's visit to East Timor on 19 January.

Indonesia: Two Senior Armed Forces Officers Involved in Reshuffle

BK0802140796 Jakarta MERDEKA in Indonesian 9 Feb 96 pp 1, 10

[Unattributed report]

[FBIS Translated Text] Jakarta, Wednesday, MERDEKA — Major General Syarwan Hamid, assistant to the chief of ABRI [Armed Forces of the Republic of Indonesia] socio-political affairs will take over the position of chief of ABRI socio-political affairs from Lieutenant General Mohamed Ma'ruf. Brigadier General Suwarno Adiwijoyo, head of the ABRI Information Center, is expected to become the next assistant to the chief of ABRI socio-political affairs. The reshuffle was announced in Armed Forces Commander General Feisal Tanjung's decision letter signed on 5 February.

The schedule of the commissioning ceremony for the strategic positions is not yet available. When asked by journalists about the ceremony on Wednesday, 7 February, Brig. Gen. Suwarno Adiwijoyo, who continues to hold the post of head of the ABRI Information Center, admitted that he was not sure about it.

Syarwan and Suwarno graduated from the National Military Academy in 1966. Along with the imminent new post, Syarwan will be promoted to the rank of Lieutenant General, while Suwarno will rise to the rank of Major General. Lt. Gen. Mohamed Ma'ruf is expected to assume non-military duties.

The chief of ABRI socio-political affairs is the key assistant to the armed forces commander in dealing with socio-political affairs. The chief, among others, has an assistant to help him in his duties. In defense affairs, the armed forces commander is aided by the ABRI General Staff chief.

The promotion of the two senior officials will automatically be followed by transfers of other officials as well.

Brig Gen. Amir Syarifudin, chief of staff of the Trikora 8th Military Region Command, is expected to be the new head of the ABRI Information Center.

Brig. Gen. Slamet, head of the ABRI Welfare Center, will replace Maj. Gen. Mansyur, assistant for non-military affairs.

The Same Class

With the promotion of Syarwan to the position of chief of the ABRI Socio-Political Affairs, he is now the first graduate of the 1966 class from the National Military Academy (AMN) to become a three-star general at the Defense and Security headquarters. Currently, others holding positions are Lt. Gen. Mutojib, governor of the National Defense Institute, a graduate of the AMN in 1962; Lt. Gen. Gondosuwigno, a graduate of the Air Force Academy in 1963 who is now ABRI inspector general; Lt. Gen. F.X. Sujasmin, deputy army chief of staff, a graduate of the AMN in 1964; Lt. Gen. Mohamed Ma'ruf, Lt. Gen. Suyono, ABRI chief of General Affairs, and Lt. Gen. Sofian Effendi, future governor of the National Defense Institute. These three are graduates of the 1965 class from the AMN.

Syarwan and Suwarno were in the same class of 1966 at the AMN. They were also in the same class attending several military courses such as at the Command and Staff College and the National Defense Institute.

In his previous position, Suwarno had replaced Syarwan to become head of the ABRI Information Center and for his latest position, he also succeeded Syarwan.

Son of Siak

Syarwan Hamid was born on 10 November 1943 in Siak, Riau. He is married to E. Agustini and has [word dropped] daughters.

His hobby is collecting antiques, and he is well known among the journalists circle since he used to hold the posts of chief of the ABRI Information Center and chief of Army Information Service respectively.

Son of Banyuwangi

Suwarno was born on 21 April 1942, in Banyuwangi. He is the son of Sujono Adiwijoyo and Suwarni (deceased).

married to Sri Utami Budiati and has three sons. He is easily identified by the people because of his ease in communicating with the public and his physique of 80 kilograms plus 180 centimeters in height.

Philippines

Philippines: Military Reports Assassination Threat Against Ramos

BK0902103996 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0945 GMT 9 Feb 96

[FBIS Translated Text] There is a threat against the life of President Fidel Ramos from the terrorists. This was the report received by the Armed Forces of the Philippines and some security agencies.

According to Defense Secretary Renato De Villa, all terrorism threats are being looked into closely, especially if this comes from the Moro National Liberation Front, or MNLF, and Moro Islamic Liberation Front, or MILF.

Philippines: Muslim Rebels Attack Maguindanao Town 4 Feb

BK0802122396 Manila PHILIPPINE DAILY INQUIRER in English 6 Feb 96 p 12

[Report by Charlie C. Senase]

[FBIS Transcribed Text] Cotabato City — Two persons were killed and over 1,000 fled their homes when about 150 heavily armed men stormed the poblacion [town proper] of Buluan Town in Maguindanao last Sunday.

Buluan Mayor Puwa Mangudadatu said the armed men were led by Commander Kamaro Salendab of the Moro Islamic Liberation Front (MILF).

He described the town's situation as "under control despite prevailing tension."

Killed in the attack were Salik Kalipapa and a certain Modian, both former rebels who returned to Buluan.

Mangudadatu said two blasts from M-79 grenade launchers hit the town hall, causing damage. He could not estimate the damage caused by the explosions.

Salendab, he said, was trying to retaliate on a group of former MILF rebels staying at the town proper.

"We are expecting an armed encounter anytime," he said even as he insisted that the situation is under government control. Soldiers of the 301st Army Infantry Brigade are ready to counter any rebel attack, he said.

Three pumpboats loaded with MILF reinforcements arrived at dawn Monday, prompting residents to flee to neighboring towns.

Military officials continued to exercise "maximum tolerance" in dealing with the Buluan situation.

Lt. Noel Detoyato, spokesperson of the Army's 6th ID [Infantry Division], said that in deference to Ramadhan (Muslim holy month of fast), "We will not initiate anything that would provoke war."

Mangudadatu said the MILF offensive in Buluan indicates that the rebel hierarchy has no control over its men.

"Their acts are anti-Islam as they show their disrespect to Ramadhan," he said.

Philippines: Military Chief Allays Fears of Christian-Muslim War

BK0902082096 Manila MANILA BULLETIN in English 9 Feb 96

[Report by Emily R. Pena — received via Internet]

[FBIS Transcribed Excerpt] Armed Forces Chief of Staff Gen. Arturo T. Enrile yesterday assured residents of North Cotabato that there is no Christian-Muslim conflict brewing as a result of last Sunday's attack by the Moro Islamic Liberation Front (MILF) Lost Command on a village.

Enrile said that the attack "was not an indication of a brewing conflict between the Christians and the Muslims" in barangay [village] Gulling, Almada, North Cotabato, which is populated by Muslims and Christians.

Lt. Gen. Ruperto Ambil went to North Cotabato yesterday morning to assess the situation and inspect the destruction in the village, which reports had put at P [pesos] 300,000.

Muslim residents had sought refuge at nearby sitios [village districts] Tambo and Maracatag while most of the remaining Christian families armed themselves to defend their barangay.

Enrile said the Christian and Muslim settlers in the barangay are peace-loving who have been living together in the area for a long time.

Enrile said the military is still trying to locate the MILF group under Commander Pakil Ayunan which raided the undefended barangay last Sunday, burning at least 72 houses and taking away five carabaos, a horse, and a goat.

Ayunan was the leader of a breakaway MILF group who carries a P400,000 reward for his arrest.

Failure of the barangay residents to pay "zakat" (revolutionary money) to the MILF Lost Command prompted

the attack which the military believe was also a diversionary move to prevent further deployment of Army troops at the site of the controversial P1.7 billion Malitubog-Maridagao Dam project.

Hot spots

Military reinforced troops in Central Mindanao, particularly in Maguindanao and Sultan Kudarat which have been pinpointed as "the next probable hot spots" due to the presence of Moro Islamic Liberation Front (MILF) and Moro National Liberation Front (MNLF) members.

A report from Maj. Renato M. Bancoro, officer in charge of the intelligence command of the Southern Command in Zamboanga City, said both the MNLF and the MILF operate in North and South Upi in Maguindanao and coastal areas of Lebak in Sultan Kudarat which are lairs of the rebel groups.

The MNLF has 400 armed regulars equipped with 200 high-powered firearms not to mention the 250 MNLF regulars under one Commander Jerry who are being utilized as strike forces.

Three hundred fully armed followers of one Usop Armerol are in barangay Kuya, South Upi, and another group of about 100 under one Hadji Digo Omal are in barangay Nuran in the same town.

The MILF, on the other hand, has its 202d brigade, 2d field division, led by Sajid Macasasa Outao with about 550 armed men.

A total of 35 Abu Sayyaf members from Lake Sebu also landed at sitio Bakayawan I, Palimbing, Sultan Kudarat.

Members of private armed groups, the military report stated, contributed to the tense situation in the area.

"With these deployment, there is a probability that the municipality of North and South Upi and coastal areas of Lebak, Sultan Kudarat, will be additional hot spots in Central Mindanao," Bancoro said in his report to Armed Forces Chief of Staff Gen. Arturo T. Enrile.

Martial law

Former Senator Rodolfo G. Biazon said yesterday localized martial law in areas of Mindanao rather than an antiterrorist law of general application will suffice to address any full-blown rebellion there.

The former Armed Forces of the Philippines (AFP) chief of staff was commenting on the suggestion of Mindanao leader Nurodin Alonto Lucman that the antiterrorism bill of Sen. Juan Ponce Enrile will address the threat of disorder in Mindanao.

Biazon said that the Constitution provides that any part of the country may be placed under martial law in the event of an invasion, insurrection, or rebellion.

"Since any Moro rebellion can be contained within the affected areas of Mindanao, adopting stringent measures of general application might threaten the constitutionally safeguarded concept of civil liberties and human rights," he said.

He added that an antiterrorist law is not needed to address the rebellion in Mindanao. [passage omitted]

Not a consultant

Interior and Local Government Secretary Rafael M. Alunan III yesterday said that Nurodin Alonto Lucman is not his consultant.

Lucman has been tagged as the author of an "anonymous" letter warning of terrorism in Mindanao, including a plot to assassinate President Ramos during his visit to Marawi City last December.

Alunan said he had not provided copies of Lucman's letter to the media nor disclosed its contents to reporters.

Alunan said that, perhaps, reporters got hold of copies or learned about the contents of the letter during Lucman's appearance last Monday before the Senate committee on defense and national security.

Philippines: Final Report Procedures for Nov APEC Summit Approved

BK0902063796 Manila MANILA BULLETIN
in English 9 Feb 96

[Report by Milet O. Santos — received via Internet]

[FBIS Transcribed Text] Senior officials of the 18 member-economies of the Asia-Pacific Economic Cooperation (APEC) have agreed on the procedures to be followed for the final reports to the APEC ministers meeting in November.

In yesterday's press conference, Deputy SOM [Senior Officials Meeting] Chairman Ambassador Antonio Basilio said that agreements have been reached on the format to be used, the consultation process, and the integration of collective and individual action plans of member economies.

Singapore and Hong Kong submitted a mock-up and prototype, respectively, of their individual action plans. Both submissions focused on areas of deregulation and nontariff measures since they are free ports.

Five economies may be ready to turn their individual action plans by May during the second senior officials

meeting with eight more submissions between July and September and three in October.

The Philippines and Chile are among those expected to submit their liberalization plans, complete with tariff reduction targets and time frame by May.

According to Basilio, the Philippines has prepared a database to receive all these information.

Apart from the individual action plans, a collective and multilateral action plan will be prepared by APEC towards implementing its vision of open trade and investments in the Asia-Pacific by the year 2010 for developed economies and 2020 for developing economies.

Philippines: 'Breakaway Rebel Faction' Takes On New Name

BK0802122696 Manila PHILIPPINE DAILY INQUIRER in English 6 Feb 96 p 12

[Report by Carla P. Gomez]

[FBIS Transcribed Text] Bacolod City — A breakaway rebel faction in Negros has adopted a new name to set it apart from the mainstream Communist Party of the Philippines (CPP) and the New People's Army (NPA).

Henceforth, the group will be called Rebolusyonaryong Partido ng Manggagawa Marxista-Leninista (RPM-ML) [Revolutionary Party of Marxist-Leninist Workers] and its military wing, the Revolutionary Proletarian Army (RPA).

In a statement issued yesterday, the rebels also formally declared independence from the CPP and their integration with the national organization of RPM-ML.

They said they decided to rename the autonomous NPA in Negros Island in order to give it distinct identity.

The group broke away from the mainstream communist movement in 1993 over ideological differences with supporters of CPP founder Jose Ma. [Maria] Sison.

The military earlier claimed the faction as having a majority control of armed rebels in Negros.

In its statement, the RPM-ML said it held its first regional conference on the island this month after more than two years of ideological debate.

The rebels said they have been "challenging the Sisonites to an ideological debate but they have responded with organizational sanctions and treated us as counterrevolutionaries."

They said the debate became complicated because the so-called third party bloc also launched a sabotage campaign against the revolutionary movement in Negros. They did not elaborate.

Philippines: Politicians Comment on Lakas-Laban Coalition Split

BK0902050896 Manila MANILA STANDARD in English 6 Feb 96 p 3

[Report by Fel V. Maragay with Marichu A. Villanueva]

[FBIS Transcribed Text] The Laban ng Demokratikong Pilipino [Struggle of Filipino Democrats] said yesterday its decision to split from the ruling Lakas [ng Bansa; Power of the Nation]-NUCD [National Union of Christian Democrats] is final and effective immediately even without the ratification of its national congress scheduled for this November.

Laban, in a position paper obtained by to the MANILA STANDARD, maintained that the 31 June decision of its 50-man national executive council to dissolve its 17-month coalition with Lakas should "take effect immediately."

"Contrary to the claims of renegade solons that the decision to split has to be ratified by the National Congress, the consensus reached by the National Executive Council is final," the party said.

Laban, led by Senate Minority Leader Edgardo Angara, clarified this issue apparently to counteract ongoing efforts by President Ramos and other Lakas leaders to win over their estranged Laban partners and save the coalition.

This was also intended to neutralize the move of "mutinous" Laban senators to expel Angara as chairman and overturn the party leadership's decision to break away from Lakas.

Contradiction

The Laban's clarification that the decision to split was final and immediately effective appeared to contradict earlier pronouncements by party stalwarts that the decision was not yet final until ratified by the party's national congress.

Sen. Blas Ople said although the coalition was already dead the burial date still had to be set. To avert Lakas' counter-move coalition, Ople suggested that the Laban national congress be advanced to March instead of November this year.

Even Senate President Neptali Gonzales seemed to have taken an altogether different position yesterday when he said the ruling majority had agreed at a caucus to maintain its multi-party status.

The majority is composed of Laban, Lakas and NPC [National People's Coalition] senators who agreed to the ouster of Angara as Senate chief. Maintaining the status

quo would also mean that the Angara-led Conscience Bloc remains the minority.

The caucus decision effectively dashed Angara hopes to consolidate its ranks in the Senate and even serve to widen the intra-party dispute, as Gonzales conceded. The Senate president said he would remain the "broker of reconciliation" of his estranged partymates.

Cabinet posts?

In Malacanang, Executive Secretary Ruben Torres confirmed that President Ramos is tinkering with the idea of appointing Laban congressmen to the Cabinet in a last-ditch attempt to keep the troubled coalition intact.

But Torres said no specific names are being considered right now.

Torres said Lakas is banking on the declaration of some Laban leaders that the Laban's decision to discard the coalition is subject to ratification by its national congress.

"We have to await the final decision from Laban. They said the decision made last week was subject to confirmation by the (higher) body or convention whatever," said Torres who served as national coalition in the May, 1995 elections. [sentence as published]

At least three Laban congressmen are reportedly being eyed to head certain Cabinet departments.

The three are Deputy Speaker and Laban secretary general Hernando Perez (Batangas) for secretary of transportation and communications; Rep. Edcel Lagman (Albay) for secretary of justice and Rep. Jose Cojuangco Jr. (Tarlac). Incumbent Justice Secretary Teofisto Guingona Jr. is reportedly being elevated as associate justice of the Supreme Court.

Perez is also reportedly being groomed by the anti-Angara faction to replace the minority leader as party chieftain.

Angara has labeled the reports as another Malacanang ploy to sow a rift within Laban in order to build a "monolithic party" after the Marcos-era Kilusang Bagong Lipunan (New Society Movement).

Secretary Torres, however, indicated that all these reports were speculative.

Torres observed that a powerful bloc of Laban senators led by Raul Roco and Heherson Alvarez, is working for the nullification of the Laban executive council's decision to split from Lakas.

"Within Laban some people still want to maintain the coalition, so we hope that reason will preside and they'll

find being with the coalition is the better way for the country," the Palace official told newsmen.

Presidential Youth Adviser and National Youth Commission chair Amina Rasul meanwhile said the breakup of the Lakas-Laban coalition impact adversely on its youth members and their development agenda.

Rasul, president of the Lakas-Laban Youth coalition, added "it is too early to engage in politicking which is being done at the expense of younger coalition members."

Laban position

In its position paper, Laban invoked Article V, Section 22 of the revised party constitution which states that the National Executive Council "shall act for and on behalf of the National Congress in between meetings of the Congress," which takes effect once every two years.

The provision states that "any decision made or action taken by the Council shall, unless specified by the Council, take effective immediately."

Laban pointed out that only those decision which the National Congress cannot delegate to the Council are those on: amendments to the party Constitution; nomination of official candidates for party president and vice president; and election of elective national officers.

Thailand

Thailand: Border Troops Authorized To Retaliate Against Intruders

BK0902082196 Bangkok THE NATION in English
9 Feb 96 p A3

[Report by Yindi Loetcharoenchok and Somchit Rungchamratsami]

[FBIS Transcribed Text] Nakhon Sawan — The Army has given the green light for its soldiers, paratroopers and border patrol police to retaliate immediately with force against any intruding, unidentified forces, Third Army Region Commander Lt Gen Thanom Watcharachut said here yesterday.

The order came after repeated verbal warnings by Thailand failed to deter armed forces of the Democratic Karen Buddhist Army (DKBA) from crossing to Moei River into Thailand and robbing, kidnapping, killing and wounding a number of Thais and Karen refugees in camps in northern Tak's Tha Song Yang and Mae Sot Districts.

Speaking after presiding over a ceremony at an Army training centre at Fourth Division headquarters, Thanom said he had instructed Army forces, paratroopers and

border patrol police providing security in Tha Song Yang and Mae Sot to use "retaliatory measures" on the spot against any unidentified armed intruders.

He said forces on the border can now take action without having to first verify the identity of the intruders or receive permission from high-ranking officers at the Third Region command in Phitsanulok or Army headquarters in Bangkok.

The forces have always retaliated whenever DKBA troops intruded into Thailand "but from now on they can respond immediately when an incursion takes place without having to verify the identity of the intruders," Thanom said.

He said he was aware of the possible effect of retaliatory measures on Thai-Burmese relations but emphasized that action would be taken only against unidentified armed forces "found in Thailand."

The Army has imposed a curfew in some sensitive areas and any unidentified armed forces found operating there will immediately be countered with force, he said.

Tha Song Yang authorities have also begun moving Karen refugees from two units in Shoklo Camp to join five other groups located deeper in Thailand to protect them against possible raids by the DKBA, Thanom said.

"I have instructed all responsible agencies to retaliate immediately without having to first receive a green light order (from me)," the commander said.

He said he had instructed forces along the border under his command "to be patient, prudent and to action with caution."

It is the duty of the Army to oversee peace along the border and to monitor and provide security for those living on the Thai soil, he said.

Thanom said that during the next meeting of the two countries' Regional Border Committees, he will ask the Burmese junta "to shoulder responsibility" for any losses and casualties resulting from intrusions by troops from that side of the border.

He said all intruders, of whatever ethnic group, "are considered to be of Burmese nationality and thus the Burmese government is accountable for their actions"

The request will be made at the 12th meeting of the Regional Border Committee in Moulmein from Feb 19 to 22. Thanom will head the Thai delegation, while Maj Gen Ket Sein, chief of the Burmese army's southeastern command, will lead the Burmese team.

Thanom said the Thai side will hold a preparatory meeting on Monday in Bangkok to work out a stance on various issues its delegation will raise,

Any subject of bilateral interest, including the reopening of the three Burmese border crossings closed since early last year and the resumption of construction on the Thai-Burmese bridge across the Moei River, could be included in the talks, he said.

Thailand: Banhan's New Cabinet Lineup Expected 20 Feb

*BK0902070196 Bangkok BANGKOK POST
in English 9 Feb 96 p 1*

[Report by Somchai Misan]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha is to conduct a mini-reshuffle of his Cabinet and has told coalition partners to make their proposals next week.

Coalition sources said Mr Banhan told the partners he planned to propose the new line-up to His Majesty the King on Feb 20.

The Phalang Tham and New Aspiration parties have confirmed with the premier there will be a minor change in the line-up under their quotas.

However, Chat Thai, the core of the coalition, has yet to tell its own members for fear of sparking further conflicts.

The fate of Finance Minister Surakiat Sathianthai is in the balance as he is not an MP but was appointed with Mr Banhan's personal support.

Mr Banhan has been under pressure to remove Mr Surakiat for sacking Ekkamon Khirawat from the Securities and Exchange Commission and failing to produce evidence to justify the dismissal.

Mr Surakiat has also come under fire for dropping court action to levy back-dated income tax from Agriculture and Cooperatives Minister Montri Phongphanit.

While Chat Thai may retain its line-up to avoid aggravating internal conflicts, the sources said Mr Surakiat was a candidate for removal.

Mr Banhan told 20 mainstream MPs he would not change the Chat Thai lineup to avoid further conflict.

A significant change in the party line-up would take place after the funeral of HRH [Her Royal Highness] the Princess Mother next month, he was quoted as saying.

Mr Banhan was also expected to cling to the Interior portfolio despite pressure from the Thoe Thai faction secretary-general Sano Thianthong and deputy leader Watthana Atsawahem.

Phalang Tham has told him it wants PM's Office Minister Charat Phuachuai to become deputy foreign minister under M.R. [Mom Ratchawong — royal title] Kasemsamoson Kasemsi of Nam Thai, who has handled the portfolio alone.

The sources said Mr Charat agreed reluctantly to the move at the request of Phalang Tham leader Thaksin Chinnawat.

Deputy Prime Minister Thaksin will take over Mr Charat's responsibility for the Metropolitan Rapid Transit Authority if the change is made.

The New Aspiration Party [NAP] has told Mr Banhan it wants to replace ailing Labour and Social Welfare Minister Phisan Munlasatsathon with PM's Office Minister Prasong Bunphong.

Mr Phisan, who has cancer, had agreed to quit so long as his younger brother Phunsawat, a Surin MP, was made a deputy minister to maintain the party's quota.

However, NAP leader Chawalit Yongchaiyut is said to favour Chatchai Ia-sakun, a Deputy Agriculture and Cooperatives Minister, for the post.

The sources said there was a possibility Gen Chawalit would agree to Mr Phisan's request by moving Mr Chatchai to the PM's Office if Mr Prasong replaces Mr Phisan.

Agreement on the changes is expected at the party's executive committee meeting on Feb 13, the sources said.

Gen Chawalit's secretary, Bunchong Wisommai, said the NAP leader would wait for Mr Phisan to leave the post by himself as a gesture [of respect] to the party's co-founder.

Last month, Mr Phisan said he needed one more month to recuperate and he would leave if he could not carry on.

The sources said the Nam Thai, Social Action, Prachakon Thai and Muan Chon parties had yet to indicate if they plan to change their line-ups.

Thailand: Government's Cancellation of TV Program Criticized

BK0902112296 Bangkok BANGKOK POST
in English 9 Feb 96 p 4

[Editorial: "TV Show Ban a Reminder of Dark Days Gone By"]

[FBIS Transcribed Text] The decision by Prime Minister's Office Minister Piyanat Watcharaphon to scrap the popular Mong Tang Mum political talk show pro-

gramme on Channel 11 has suddenly reawakened us to the harsh fact that an elected government is not necessarily a democratic administration. For the last six months, we have been led to believe that our government fully embraced freedom of expression and was receptive to all constructive criticisms. That assumption was wrong.

Like an order from a Press officer to close down a newspaper, the decision to dump the Mong Tang Mum (Different Perspectives) programme came as a complete disappointment, especially to democratic aspirants and supporters of freedom of expression. How a government which has professed full support for democracy can embark on such an undemocratic move is simply beyond imagination and comprehension.

To justify his decision, Mr Piyanat who oversees the Public Relations Department which owns Channel 11 alleged that Choemsak Pinthong, the programme moderator, was egoistic, too independent and biased. The programme itself was also said to be provocative. But to the faithful fans of the programme, Mr Choemsak's only mistake seems to be that his programme is mostly critical of the government. In short, he is not an admirer of the government as Mr Piyanat wished him to be.

Some political pundits seem to be of the opinion that the real reason behind the suspension of the programme could have something to do with an incident during the last election campaign involving Prime Minister Banhan Sinlapa-acha. At that time, Mr Banhan was invited as one of the guest speakers on Mr Choemsak's programme. He appeared very embarrassed when pressed by Mr Choemsak to disclose the names of those he had in mind to be named to his Cabinet. In the end, he could not give an answer.

Whether the incident has anything to do with the suspension of the talk show programme is now a matter of wild speculation. Only Mr Banhan can clear the air. But he has yet to speak out. The longer he maintains his silence, the more people will become convinced that he was instrumental in silencing the programme.

Despite its controversial nature, the Mong Tang Mum programme has served as an open forum for frank and candid expression of views on issues which are of public interest from people of all walks of life. It has also served as a way for people to vent their frustrations in a peaceful way which should be more welcome than an expression through violent means.

Since the programme's inception in July 1992, a total of 237 sessions have since been held in Bangkok and 44 provinces. More than 800 people have participated as speakers. Among the participants were several former

prime ministers, politicians, academics, grassroots leaders, businessmen, government officials and children.

Given the "Who's Who" list of participants, the programme has firmly established a name for itself. Had it been a shoddy programme like many other television programmes which are being aired without any intervention from the government or biased as charged by Mr Piyanat, it would not have survived so long or attracted a consistently large following.

A democratic government should be broadminded enough to be receptive to criticism, even though it is not obliged to respond to all adverse comments. But what this episode demonstrates is that the administration of Prime Minister Banhan is increasingly intolerant of criticism even though it might well be constructive or well-intentioned.

It is a sad irony that the Mong Tang Mum programme managed to survive the dictatorial regime of the now defunct National Peace-keeping Council, but will suffer its demise at the hands of a government which is supposed to advance the cause of democracy.

Thailand: Host of Banned TV Program Comments on Government's Action

BK0902063396 Bangkok BANGKOK POST in English 9 Feb 96 p 1

[Unattributed report]

[FBIS Transcribed Text] The host of a political chat show on Channel 11 spoke out yesterday after it was announced the programme was being withdrawn.

Mong Tang Mum (Different Perspectives) programme moderator Choemsak Pinthong defended himself against charges by PM's Office Minister Piyanat Watcharaphon that he has been seen to be too arrogant, acts like the show is untouchable, and is biased against the Government.

Mr Piyanat said on Wednesday that the show would be scrapped — the last programme is due to go out tomorrow.

Mr Choemsak said his programme, like any other media and other institutes, had been regularly checked by the public. It had also been closely examined by his supporters and sponsors, he said.

He said if it had been inappropriate or not constructive, it would not have gained support.

Mr Choemsak said he was not in a position to ask his guest speakers to restrain their words.

He also denied he had tried to enlist support from his guest speakers to support his programme.

He said the speakers were men of principle who were not the type of people "who could be led by the nose".

He said he did not object to his programme being scrapped because "those in power" might see it as irrelevant to the political situation.

But he said he hoped it would continue.

"I only hope this programme will give an opportunity for people to express their views freely as the programme has done before," he said.

"The society will benefit and the Government will also benefit if there is a programme to provide a forum for the people to express their views."

Democrat MP Akhom Engchuan said he felt sorry the programme was being scrapped.

He admitted even though the programme was critical of the Government, it had served the interests of the public.

Khunying Suphatra Matsadit, president of Creative Media Foundation which produces the programme, also expressed her regret at the Government's decision.

Thailand: Columnist Sounds Alarms Over Budget Deficit

BK0702134196 Bangkok SIAM POST in Thai 7 Feb 96 p 17

["Economics Corner" Column by Khathakon Chiratikon]

[FBIS Translated Text] Monetary and financial discipline have apparently been neglected by the authorities who are concerned in drawing up and implementing major economic plans for the country.

For example, the decision by the government of newly-graduated Prime Minister Banhan Sinlapa-acha to raise the 1996 budget by over 10 billion baht, and the heavy floods that devastated various parts of the country have led to the skyrocketing inflation rates — 7.3 percent for the last two months of last year, and 7.4 percent for January.

The injection of 30 billion baht into the stock market to create the illusion of government stability and credibility in the eyes of investors is another example. As a matter of fact, that measure was designed to enable the government to hold on to power for as long as possible. However, today's topic will concentrate on the government strategy in dealing with the current account deficit.

Everyone knows well that the current account deficit is the No. 1 enemy of Thailand's economy. It is eroding

the country's economic strength. The ad hoc committees headed by Deputy Prime Minister Amnuai Wirawan and Finance Minister Surakiat Sathianthai do not seem to have done anything fast enough to remedy the situation.

Lately, the government boasted that it would bring the deficit down to 3.5 percent by the year 2000, despite the fact that last year's figure was as high as 7.1 percent. The government declared that the deficit would be limited to 6 and 5.8 percent for 1996 and 1997 respectively.

It is not too pessimistic to say that the government's beautiful projections will never materialize, because the huge amount of money to be poured into the national budget for fiscal year 1997 will add more fuel to the burning deficit flame.

In the 1997 fiscal year, the government plans to spend as much as over 400 billion baht, 40 percent of the national budget, in infrastructure investment. Moreover, state enterprises will also dump an additional 200 billion baht for the development of other public facilities. This represents a 10-percent increase from this year's spending. Therefore, it is impossible for the government to limit the current account deficit to 5.8 percent of the GDP in 1997 fiscal year.

Generally, the current account deficit problem stems from a combination of increasing expenditure on shipping, unnecessary and luxury items, copyrights, and imported capital goods. Grandiose projects and an export slowdown as well as economic growth will aggravate the situation in the long run.

In Southeast Asia, Thailand is only second to Malaysia in terms of the current account deficit problem, with Malaysian Prime Minister Dr. Mahathir ambitiously launching numerous megaprojects such as a new airport, a hydroelectric dam, commercial complexes, new highways and railroads. Malaysia is now delaying the implementation of several development projects because it is facing difficulties in dealing with high interest rates, inflation, labor shortages, and an export slump. On the other hand, its import sector, which supports the construction sector, is booming.

Thailand, however, is fortunate not to have chosen such a calamitous path. In the depressed monetary and capital markets, interest rates are rather high. Uncontrollable inflation coupled with low domestic savings have enticed investors to rely on external financial support, while the baht currency is pegged tightly to the increasing value of the U.S. dollar.

Thailand might not face a devaluation crisis like Mexico. However, if we continue to entertain ourselves with luxury projects with the lingering rumors of a baht de-

valuation, we might not be able to avoid the unfortunate eventuality. When the Malaysia bubble economy explodes, the Thai economy will definitely be dragged down the hill.

Although Thailand's economic foundations are better than Malaysia's, it might not be able to escape unimaginable catastrophe, especially in the world monetary and capital markets.

Thailand: Central Bank To Retain Tight Monetary Line

*BK0602052896 Bangkok BUSINESS DAY in English
6 Feb 96 p F1*

[Unattributed Report]

[FBIS Transcribed Text] A senior official at the Bank of Thailand said economic conditions do not warrant an easing in monetary policy and, until inflation and the current account deficit retreat, the central bank will not sanction an interest rate cut.

"Domestic economic issues demand a continuation of a tight monetary policy until we achieve the planned reductions in inflation and the current account deficit," said Dr Banthit Nichathawon, director of the economic research department of the Bank of Thailand.

Dr Banthit said if inflation and the size of the current account deficit moderated by mid year the Bank of Thailand "would re-examine its monetary stance."

The central bank wants inflation in 1996 to rise 4.9 percent year on year and the current account deficit to moderate to 6.5 percent of Gross Domestic Product (GDP).

In 1995 the current account deficit widened to more than 7 percent of GDP while inflation year on year was 5.8 percent. But in January the consumer price index jumped to 7.4 percent over the same period a year ago and the current account deficit worsened from 31.7 billion baht last October to 33.8 billion baht last November.

Dr Banthit said "trade deficit and inflationary concerns mean an easing in monetary policy now would be "too pre-mature."

"Monetary policy has to be fairly tight in order to sustain moderate economic activity," he said. "It is our view that the moderate trend is desirable for the Thai economy at this time since the pick up in demand in 1992, which has brought sustained pressures on resources."

Dr Banthit said since large amounts of foreign capital began to flow into local money markets at the beginning of the year, short term interest rates have fallen and Thai

commercial banks have argued that interest rates should ease.

He said in a meeting with representatives of the local commercial banks the Bank of Thailand "has explained the rationale behind its policy... and they know our preference." But Dr Banthit acknowledged "the final decision will be taken by them (the banks)."

Thailand: Expanded Investment, Bigger Role for PM in New Budget

*BK0602044696 Bangkok THE NATION in English
6 Feb 96 p B1*

[Report by Surachai Chupaka]

[FBIS Transcribed Text] Thailand will see its investment budget reach a historical peak of 40 per cent of the total in the next fiscal year, said Deputy Prime Minister Amnuai Wirawan.

In charge of the drafting, Amnuai said the budget plan for the 1997 fiscal year, starting this October, is ready to be submitted to the Cabinet next week for approval.

Aside from the high investment figure, the budget plan will also bring about stricter controls over state enterprises and Prime Minister [PM] Banhan Sinlapachacha is suggested as the chief to monitor the state enterprises' financial administration, said Amnuai.

The deputy spent two weeks finishing the 1997 budget. The balanced budget proposed total expenditure of [Thai baht] Bt979 billion or 18.5 per cent of gross domestic product (GDP), an increase of 17.9 per cent from the previous year. Investment will reach 40 per cent, the

highest ever in Thai history, against 38.5 per cent a year ago.

The budget is in line with the eighth national development plan and this will also sustain an economic growth rate of 8 per cent per annum, control inflation in the 5-per cent range and keep the current-account deficit at 6 per cent.

With respect to revenue, the Revenue Department is expected to generate Bt607 billion, an increase of 16.7 per cent from a year ago; the Excise Department Bt191 billion, up 10.3 per cent; the Customs Department, Bt151 billion, up 7.5 per cent; and state enterprises Bt555 billion, up 4.7 per cent.

"We will retain the existing tax structure so as not to put more burden on taxpayers. Though our duties have been reduced, the volume of imports and exports has increased," said Amnuai.

The state enterprises' investment budget will be capped at Bt200 billion because the government investment would double the size, he added.

Amnuai is not worried about the economic conditions and the Council of Economic Ministers yesterday approved an export target of Bt1.6 billion in 1996, an 18 per cent increase on a year-on-year basis.

Meanwhile, the Council endorsed an investment budget of Bt14 billion for the Expressway and Rapid Transit Authority of Thailand [ETA] on the condition that the government takes care only of land expropriation, with the ETA handling the financing and debt repayment.

Australia

Australia: Evans Proposes Southern Hemisphere Nuclear-Free Bloc

BK0702063296 Melbourne Radio Australia
in English 0500 GMT 7 Feb 96

[FBIS Transcribed Text] Australia has called for the establishment of a nuclear-free bloc in the Southern Hemisphere. The Australian foreign affairs minister, Gareth Evans, said such a move would be an important psychological and symbolic step toward ridding the world of nuclear weapons. Mr. Evans was speaking at a function in Sydney.

More from South Pacific correspondent Erina Reddan:

[Begin recording] [Reddan] Foreign Minister Gareth Evans says linking nuclear-free zone treaties in the South Pacific and Latin America, as well as the proposed African one, would go a long way to creating the super nuclear weapons-free zone. He said there would be a gap in the Indian Ocean area, but it would be overcome in the short term by distinguishing the ocean from the land mass.

[Evans] I think the aspiration is very well worth achieving, and the symbolic impact it would have would be really quite dramatic in advancing the cause of a nuclear-free world. [end recording]

In earlier comments, Mr. Evans said Australia would move quickly to resume normal relations with France after it signs the South Pacific nuclear-free zone treaty. He was responding to comments by the president of the French Polynesia Government, Gaston Flosse, who said he would sign the treaty on behalf of France next month in the Fiji capital, Suva.

Australia: Nuclear Organization Denies Plan To Send Fuel Rods to U.S.

LD0802140696 Melbourne Radio Australia
in English 0900 GMT 8 Feb 96

[FBIS Transcribed Text] The Australian Nuclear Science and Technology Organization, ANSTO, has denied claims that it plans to send hundreds of spent nuclear fuel rods back to the United States. The United States last week announced it would take back the 800 rods it had supplied for the nuclear reactor at Lucas Heights in Sydney. The environmental organization Greenpeace is threatening to block such a move, but ANSTO's John Mulcair says there is no plan to send back the fuel rods:

[Begin Mulcair recording] There is no proposal of movement back to the United States. There was simply an announcement last Friday [2 February] by the U.S. secretary of energy that the United States was looking to

accepting spent research reactor fuel rods from around the world of U.S. origin, and that's it. That's all the information we have on it at this stage. [end recording]

Australia: Minister Assails Extraterritorial Application of U.S. Law

LD0702163396 Melbourne Radio Australia
in English 1030 GMT 7 Feb 96

[From the "International Report"]

[FBIS Transcribed Text] Australia has protested against a draft United States law which would punish non-American companies trading with Iran. The Australian government has told the United States that the extraterritorial application of American law is not acceptable. But Australia's largest company, BHP, has signalled that it would curtail dealings with Iran because of the proposed American law. From Canberra, Graeme Dobell reports.

[Dobell] The United States considers Iran to be a sponsor of terrorism and a draft law being considered by the U.S. Congress would close access to American capital markets to companies which do business with Iran. A U.S. senator has written to Australia's largest company, the resources giant BHP, warning it against being part of a consortium to build a \$1 billion gas pipeline between Pakistan and Iran. BHP says it has made no commitment yet to the project, but the proposed law has highlighted differences between America and Australia on dealing with Iran.

Canberra announced last May that it would not follow President Clinton's lead in imposing a trade ban. The Australian government said then that there was no evidence on the public record to show that Iran had sponsored terrorism. Canberra is reluctant to take action which would endanger its largest market in the Middle East. Iran buys Australian wheat, meat and coal each year worth \$500 million. Australia says that by keeping open commercial ties it can talk to Iran about areas of concern — Iran's support for violent rejectionist groups, its nonrecognition of Israel, Iran's opposition to the Middle East peace process and Iran's reported interest in getting weapons of mass destruction.

Australia's trade minister, Bob McMullan, said Australia would oppose the proposed law to punish non-American countries dealing with Iran.

[Begin recording] [McMullan] We have always said that we don't agree with the extraterritorial application of laws. The fact that the United States is trying to apply its laws in relation to events that occur outside its territory is not something with which we agree. We understand their concern about some of the international practices of Iran relating to terrorism and to the Middle

East peace situation. So we understand the concern, but we don't support extraterritorial application of the law and therefore are opposed to this particular legislation.

[Dobell] Is it a threat to BHP, for instance?

[McMullan] Well, BHP have said they will comply with that law, so it therefore won't be a threat to them. No sanctions will apply, because BHP operate in accordance with the law of the country they operate in. But it's not law that they support, it's not law that we support, but they have told us, as I would expect, they have told us they will comply with the law.

[Dobell] You have put a lot of work into actually getting the training [as heard] relationship with Iran going. Is this a threat, though, to any Australian company that tries to do business with Iran?

[McMullan] Well, every Australian company that seeks to do business with Iran needs to be conscious of this legislation, but most of them don't have major operations that could adversely be affected by United States domestic law. BHP just happens to be a very big investor in the United States as well as a company that has interests in the Middle East. But, for example, most of our trade with Iran these days is through the Wheat Board, which is very big, sells in large amounts there, and I don't see that there's any threat to that.

[Dobell] Does it, though, put a shadow over the reconstituted ministerial council with Iran and that push that you have been making to try and build new links with Iran?

[McMullan] No, I don't think so. I think the Iranian government knows our position — both that we disagree with some of their foreign policy positions, which we express to them from time to time, and that we are prepared to trade with them; we are not entering into any trade action against them. [end recording]

Australia: Opposition Leader Says Copyright Reform 'Priority'

*LD0802102096 Melbourne Radio Australia
in English 0900 GMT 8 Feb 96*

[FBIS Transcribed Text] The federal opposition leader, John Howard, has nominated copyright law reform as the coalition's key arts priority if it wins the general election on 2 March. Mr. Howard has unveiled a 60 million dollar package of arts initiatives, including spe-

cial funds to help regional organizations and emerging artists. The Liberal-National Party coalition is also promising to maintain existing arts funding, retain the Arts Council, and expand the tax incentives available to the film industry. However, Mr. Howard said the move to make copyright laws more workable and modern will be his first objective:

[Begin Howard recording] We will implement legislation to protect moral rights and protect performance copyright and we will expect cable television operators to pay for the privilege of using the intellectual property of others. [end recording]

Australia: Evans Comments on East Timorese Asylum Claims

*LD0902114696 Melbourne Radio Australia
in English 1000 GMT 9 Feb 96*

[FBIS Transcribed Text] Australian officials in the Indonesian capital Jakarta are continuing to assess asylum claims by nine East Timorese who entered the Australian Embassy compound earlier this week. The group, seven men and two women, are said to have formally requested political asylum from Australia and also made a series of political demands over the East Timor issue. It has also been claimed that the nine intend to stay in the embassy until after Australia's general election on 2 March, and have taken the action to put pressure on relations between Jakarta and Canberra. The Indonesian authorities have dismissed the action of the East Timorese as a publicity stunt. And, Australia's Foreign Minister Gareth Evans says the Australian Government will treat the youths according to its international obligations, as Kylie Morris reports:

[Morris] Mr Evans says the task now is to assess the merits of any claims of persecution made by the nine and sort out their nationality.

[Begin Evans recording] If they are, in fact, of Portuguese nationality as well as Indonesian nationality, by virtue of having been born in East Timor during the period of Portuguese sovereignty, then not only has Australia no obligation to assess the refugee status, we have, in fact, an obligation not to. The responsibility becomes that of Portugal to take the first steps. [end recording]

And in another development. Two East Timorese are reported to have entered the French Embassy in Jakarta and are [word indistinct] to be demanding to go to Portugal.

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